

1 AN ACT concerning schools.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 ARTICLE 5

5 Section 5-5. The School Code is amended by changing
6 Section 18-8.05 as follows:

7 (105 ILCS 5/18-8.05)

8 Sec. 18-8.05. Basis for apportionment of general State
9 financial aid and supplemental general State aid to the
10 common schools for the 1998-1999 and subsequent school years.

11 (A) General Provisions.

12 (1) The provisions of this Section apply to the
13 1998-1999 and subsequent school years. The system of general
14 State financial aid provided for in this Section is designed
15 to assure that, through a combination of State financial aid
16 and required local resources, the financial support provided
17 each pupil in Average Daily Attendance equals or exceeds a
18 prescribed per pupil Foundation Level. This formula approach
19 imputes a level of per pupil Available Local Resources and
20 provides for the basis to calculate a per pupil level of
21 general State financial aid that, when added to Available
22 Local Resources, equals or exceeds the Foundation Level. The
23 amount of per pupil general State financial aid for school
24 districts, in general, varies in inverse relation to
25 Available Local Resources. Per pupil amounts are based upon
26 each school district's Average Daily Attendance as that term
27 is defined in this Section.

28 (2) In addition to general State financial aid, school
29 districts with specified levels or concentrations of pupils
30 from low income households are eligible to receive

1 supplemental general State financial aid grants as provided
2 pursuant to subsection (H). The supplemental State aid grants
3 provided for school districts under subsection (H) shall be
4 appropriated for distribution to school districts as part of
5 the same line item in which the general State financial aid
6 of school districts is appropriated under this Section.

7 (3) To receive financial assistance under this Section,
8 school districts are required to file claims with the State
9 Board of Education, subject to the following requirements:

10 (a) Any school district which fails for any given
11 school year to maintain school as required by law, or to
12 maintain a recognized school is not eligible to file for
13 such school year any claim upon the Common School Fund.
14 In case of nonrecognition of one or more attendance
15 centers in a school district otherwise operating
16 recognized schools, the claim of the district shall be
17 reduced in the proportion which the Average Daily
18 Attendance in the attendance center or centers bear to
19 the Average Daily Attendance in the school district. A
20 "recognized school" means any public school which meets
21 the standards as established for recognition by the State
22 Board of Education. A school district or attendance
23 center not having recognition status at the end of a
24 school term is entitled to receive State aid payments due
25 upon a legal claim which was filed while it was
26 recognized.

27 (b) School district claims filed under this Section
28 are subject to Sections 18-9, 18-10, and 18-12, except as
29 otherwise provided in this Section.

30 (c) If a school district operates a full year
31 school under Section 10-19.1, the general State aid to
32 the school district shall be determined by the State
33 Board of Education in accordance with this Section as
34 near as may be applicable.

1 (d) (Blank).

2 (4) Except as provided in subsections (H) and (L), the
3 board of any district receiving any of the grants provided
4 for in this Section may apply those funds to any fund so
5 received for which that board is authorized to make
6 expenditures by law.

7 School districts are not required to exert a minimum
8 Operating Tax Rate in order to qualify for assistance under
9 this Section.

10 (5) As used in this Section the following terms, when
11 capitalized, shall have the meaning ascribed herein:

12 (a) "Average Daily Attendance": A count of pupil
13 attendance in school, averaged as provided for in
14 subsection (C) and utilized in deriving per pupil
15 financial support levels.

16 (b) "Available Local Resources": A computation of
17 local financial support, calculated on the basis of
18 Average Daily Attendance and derived as provided pursuant
19 to subsection (D).

20 (c) "Corporate Personal Property Replacement
21 Taxes": Funds paid to local school districts pursuant to
22 "An Act in relation to the abolition of ad valorem
23 personal property tax and the replacement of revenues
24 lost thereby, and amending and repealing certain Acts and
25 parts of Acts in connection therewith", certified August
26 14, 1979, as amended (Public Act 81-1st S.S.-1).

27 (d) "Foundation Level": A prescribed level of per
28 pupil financial support as provided for in subsection
29 (B).

30 (e) "Operating Tax Rate": All school district
31 property taxes extended for all purposes, except Bond and
32 Interest, Summer School, Rent, Capital Improvement, and
33 Vocational Education Building purposes.

34 (B) Foundation Level.

1 (1) The Foundation Level is a figure established by the
2 State representing the minimum level of per pupil financial
3 support that should be available to provide for the basic
4 education of each pupil in Average Daily Attendance. As set
5 forth in this Section, each school district is assumed to
6 exert a sufficient local taxing effort such that, in
7 combination with the aggregate of general State financial aid
8 provided the district, an aggregate of State and local
9 resources are available to meet the basic education needs of
10 pupils in the district.

11 (2) For the 1998-1999 school year, the Foundation Level
12 of support is \$4,225. For the 1999-2000 school year, the
13 Foundation Level of support is \$4,325. For the 2000-2001
14 school year, the Foundation Level of support is \$4,425. For
15 the 2001-2002 and 2002-2003 school years, the Foundation
16 Level of support is \$4,560.

17 (3) For the 2003-2004 ~~2001-2002~~ school year and each
18 school year thereafter, the Foundation Level of support is
19 \$5,665 ~~\$4,560~~ or such greater amount as may be established by
20 law by the General Assembly.

21 (C) Average Daily Attendance.

22 (1) For purposes of calculating general State aid
23 pursuant to subsection (E), an Average Daily Attendance
24 figure shall be utilized. The Average Daily Attendance
25 figure for formula calculation purposes shall be the monthly
26 average of the actual number of pupils in attendance of each
27 school district, as further averaged for the best 3 months of
28 pupil attendance for each school district. In compiling the
29 figures for the number of pupils in attendance, school
30 districts and the State Board of Education shall, for
31 purposes of general State aid funding, conform attendance
32 figures to the requirements of subsection (F).

33 (2) The Average Daily Attendance figures utilized in
34 subsection (E) shall be the requisite attendance data for the

1 school year immediately preceding the school year for which
2 general State aid is being calculated or the average of the
3 attendance data for the 3 preceding school years, whichever
4 is greater. The Average Daily Attendance figures utilized in
5 subsection (H) shall be the requisite attendance data for the
6 school year immediately preceding the school year for which
7 general State aid is being calculated.

8 (D) Available Local Resources.

9 (1) For purposes of calculating general State aid
10 pursuant to subsection (E), a representation of Available
11 Local Resources per pupil, as that term is defined and
12 determined in this subsection, shall be utilized. Available
13 Local Resources per pupil shall include a calculated dollar
14 amount representing local school district revenues from local
15 property taxes and from Corporate Personal Property
16 Replacement Taxes, expressed on the basis of pupils in
17 Average Daily Attendance.

18 (2) In determining a school district's revenue from
19 local property taxes, the State Board of Education shall
20 utilize the equalized assessed valuation of all taxable
21 property of each school district as of September 30 of the
22 previous year. The equalized assessed valuation utilized
23 shall be obtained and determined as provided in subsection
24 (G).

25 (3) For school districts maintaining grades kindergarten
26 through 12, local property tax revenues per pupil shall be
27 calculated as the product of the applicable equalized
28 assessed valuation for the district multiplied by 3.00%, and
29 divided by the district's Average Daily Attendance figure.
30 For school districts maintaining grades kindergarten through
31 8, local property tax revenues per pupil shall be calculated
32 as the product of the applicable equalized assessed valuation
33 for the district multiplied by 2.30%, and divided by the
34 district's Average Daily Attendance figure. For school

1 districts maintaining grades 9 through 12, local property tax
2 revenues per pupil shall be the applicable equalized assessed
3 valuation of the district multiplied by 1.05%, and divided by
4 the district's Average Daily Attendance figure.

5 (4) The Corporate Personal Property Replacement Taxes
6 paid to each school district during the calendar year 2 years
7 before the calendar year in which a school year begins,
8 divided by the Average Daily Attendance figure for that
9 district, shall be added to the local property tax revenues
10 per pupil as derived by the application of the immediately
11 preceding paragraph (3). The sum of these per pupil figures
12 for each school district shall constitute Available Local
13 Resources as that term is utilized in subsection (E) in the
14 calculation of general State aid.

15 (E) Computation of General State Aid.

16 (1) For each school year, the amount of general State
17 aid allotted to a school district shall be computed by the
18 State Board of Education as provided in this subsection.

19 (2) For any school district for which Available Local
20 Resources per pupil is less than the product of 0.93 times
21 the Foundation Level, general State aid for that district
22 shall be calculated as an amount equal to the Foundation
23 Level minus Available Local Resources, multiplied by the
24 Average Daily Attendance of the school district.

25 (3) For any school district for which Available Local
26 Resources per pupil is equal to or greater than the product
27 of 0.93 times the Foundation Level and less than the product
28 of 1.75 times the Foundation Level, the general State aid per
29 pupil shall be a decimal proportion of the Foundation Level
30 derived using a linear algorithm. Under this linear
31 algorithm, the calculated general State aid per pupil shall
32 decline in direct linear fashion from 0.07 times the
33 Foundation Level for a school district with Available Local
34 Resources equal to the product of 0.93 times the Foundation

1 Level, to 0.05 times the Foundation Level for a school
2 district with Available Local Resources equal to the product
3 of 1.75 times the Foundation Level. The allocation of
4 general State aid for school districts subject to this
5 paragraph 3 shall be the calculated general State aid per
6 pupil figure multiplied by the Average Daily Attendance of
7 the school district.

8 (4) For any school district for which Available Local
9 Resources per pupil equals or exceeds the product of 1.75
10 times the Foundation Level, the general State aid for the
11 school district shall be calculated as the product of \$218
12 multiplied by the Average Daily Attendance of the school
13 district.

14 (5) The amount of general State aid allocated to a
15 school district for the 1999-2000 school year meeting the
16 requirements set forth in paragraph (4) of subsection (G)
17 shall be increased by an amount equal to the general State
18 aid that would have been received by the district for the
19 1998-1999 school year by utilizing the Extension Limitation
20 Equalized Assessed Valuation as calculated in paragraph (4)
21 of subsection (G) less the general State aid allotted for the
22 1998-1999 school year. This amount shall be deemed a one
23 time increase, and shall not affect any future general State
24 aid allocations.

25 (F) Compilation of Average Daily Attendance.

26 (1) Each school district shall, by July 1 of each year,
27 submit to the State Board of Education, on forms prescribed
28 by the State Board of Education, attendance figures for the
29 school year that began in the preceding calendar year. The
30 attendance information so transmitted shall identify the
31 average daily attendance figures for each month of the school
32 year. Beginning with the general State aid claim form for
33 the 2002-2003 school year, districts shall calculate Average
34 Daily Attendance as provided in subdivisions (a), (b), and

1 (c) of this paragraph (1).

2 (a) In districts that do not hold year-round
3 classes, days of attendance in August shall be added to
4 the month of September and any days of attendance in June
5 shall be added to the month of May.

6 (b) In districts in which all buildings hold
7 year-round classes, days of attendance in July and August
8 shall be added to the month of September and any days of
9 attendance in June shall be added to the month of May.

10 (c) In districts in which some buildings, but not
11 all, hold year-round classes, for the non-year-round
12 buildings, days of attendance in August shall be added to
13 the month of September and any days of attendance in June
14 shall be added to the month of May. The average daily
15 attendance for the year-round buildings shall be computed
16 as provided in subdivision (b) of this paragraph (1). To
17 calculate the Average Daily Attendance for the district,
18 the average daily attendance for the year-round buildings
19 shall be multiplied by the days in session for the
20 non-year-round buildings for each month and added to the
21 monthly attendance of the non-year-round buildings.

22 Except as otherwise provided in this Section, days of
23 attendance by pupils shall be counted only for sessions of
24 not less than 5 clock hours of school work per day under
25 direct supervision of: (i) teachers, or (ii) non-teaching
26 personnel or volunteer personnel when engaging in
27 non-teaching duties and supervising in those instances
28 specified in subsection (a) of Section 10-22.34 and paragraph
29 10 of Section 34-18, with pupils of legal school age and in
30 kindergarten and grades 1 through 12.

31 Days of attendance by tuition pupils shall be accredited
32 only to the districts that pay the tuition to a recognized
33 school.

34 (2) Days of attendance by pupils of less than 5 clock

1 hours of school shall be subject to the following provisions
2 in the compilation of Average Daily Attendance.

3 (a) Pupils regularly enrolled in a public school
4 for only a part of the school day may be counted on the
5 basis of 1/6 day for every class hour of instruction of
6 40 minutes or more attended pursuant to such enrollment,
7 unless a pupil is enrolled in a block-schedule format of
8 80 minutes or more of instruction, in which case the
9 pupil may be counted on the basis of the proportion of
10 minutes of school work completed each day to the minimum
11 number of minutes that school work is required to be held
12 that day.

13 (b) Days of attendance may be less than 5 clock
14 hours on the opening and closing of the school term, and
15 upon the first day of pupil attendance, if preceded by a
16 day or days utilized as an institute or teachers'
17 workshop.

18 (c) A session of 4 or more clock hours may be
19 counted as a day of attendance upon certification by the
20 regional superintendent, and approved by the State
21 Superintendent of Education to the extent that the
22 district has been forced to use daily multiple sessions.

23 (d) A session of 3 or more clock hours may be
24 counted as a day of attendance (1) when the remainder of
25 the school day or at least 2 hours in the evening of that
26 day is utilized for an in-service training program for
27 teachers, up to a maximum of 5 days per school year of
28 which a maximum of 4 days of such 5 days may be used for
29 parent-teacher conferences, provided a district conducts
30 an in-service training program for teachers which has
31 been approved by the State Superintendent of Education;
32 or, in lieu of 4 such days, 2 full days may be used, in
33 which event each such day may be counted as a day of
34 attendance; and (2) when days in addition to those

1 provided in item (1) are scheduled by a school pursuant
2 to its school improvement plan adopted under Article 34
3 or its revised or amended school improvement plan adopted
4 under Article 2, provided that (i) such sessions of 3 or
5 more clock hours are scheduled to occur at regular
6 intervals, (ii) the remainder of the school days in which
7 such sessions occur are utilized for in-service training
8 programs or other staff development activities for
9 teachers, and (iii) a sufficient number of minutes of
10 school work under the direct supervision of teachers are
11 added to the school days between such regularly scheduled
12 sessions to accumulate not less than the number of
13 minutes by which such sessions of 3 or more clock hours
14 fall short of 5 clock hours. Any full days used for the
15 purposes of this paragraph shall not be considered for
16 computing average daily attendance. Days scheduled for
17 in-service training programs, staff development
18 activities, or parent-teacher conferences may be
19 scheduled separately for different grade levels and
20 different attendance centers of the district.

21 (e) A session of not less than one clock hour of
22 teaching hospitalized or homebound pupils on-site or by
23 telephone to the classroom may be counted as 1/2 day of
24 attendance, however these pupils must receive 4 or more
25 clock hours of instruction to be counted for a full day
26 of attendance.

27 (f) A session of at least 4 clock hours may be
28 counted as a day of attendance for first grade pupils,
29 and pupils in full day kindergartens, and a session of 2
30 or more hours may be counted as 1/2 day of attendance by
31 pupils in kindergartens which provide only 1/2 day of
32 attendance.

33 (g) For children with disabilities who are below
34 the age of 6 years and who cannot attend 2 or more clock

1 hours because of their disability or immaturity, a
2 session of not less than one clock hour may be counted as
3 1/2 day of attendance; however for such children whose
4 educational needs so require a session of 4 or more clock
5 hours may be counted as a full day of attendance.

6 (h) A recognized kindergarten which provides for
7 only 1/2 day of attendance by each pupil shall not have
8 more than 1/2 day of attendance counted in any one day.
9 However, kindergartens may count 2 1/2 days of attendance
10 in any 5 consecutive school days. When a pupil attends
11 such a kindergarten for 2 half days on any one school
12 day, the pupil shall have the following day as a day
13 absent from school, unless the school district obtains
14 permission in writing from the State Superintendent of
15 Education. Attendance at kindergartens which provide for
16 a full day of attendance by each pupil shall be counted
17 the same as attendance by first grade pupils. Only the
18 first year of attendance in one kindergarten shall be
19 counted, except in case of children who entered the
20 kindergarten in their fifth year whose educational
21 development requires a second year of kindergarten as
22 determined under the rules and regulations of the State
23 Board of Education.

24 (G) Equalized Assessed Valuation Data.

25 (1) For purposes of the calculation of Available Local
26 Resources required pursuant to subsection (D), the State
27 Board of Education shall secure from the Department of
28 Revenue the value as equalized or assessed by the Department
29 of Revenue of all taxable property of every school district,
30 together with (i) the applicable tax rate used in extending
31 taxes for the funds of the district as of September 30 of the
32 previous year and (ii) the limiting rate for all school
33 districts subject to property tax extension limitations as
34 imposed under the Property Tax Extension Limitation Law.

1 This equalized assessed valuation, as adjusted further by
2 the requirements of this subsection, shall be utilized in the
3 calculation of Available Local Resources.

4 (2) The equalized assessed valuation in paragraph (1)
5 shall be adjusted, as applicable, in the following manner:

6 (a) For the purposes of calculating State aid under
7 this Section, with respect to any part of a school
8 district within a redevelopment project area in respect
9 to which a municipality has adopted tax increment
10 allocation financing pursuant to the Tax Increment
11 Allocation Redevelopment Act, Sections 11-74.4-1 through
12 11-74.4-11 of the Illinois Municipal Code or the
13 Industrial Jobs Recovery Law, Sections 11-74.6-1 through
14 11-74.6-50 of the Illinois Municipal Code, no part of the
15 current equalized assessed valuation of real property
16 located in any such project area which is attributable to
17 an increase above the total initial equalized assessed
18 valuation of such property shall be used as part of the
19 equalized assessed valuation of the district, until such
20 time as all redevelopment project costs have been paid,
21 as provided in Section 11-74.4-8 of the Tax Increment
22 Allocation Redevelopment Act or in Section 11-74.6-35 of
23 the Industrial Jobs Recovery Law. For the purpose of the
24 equalized assessed valuation of the district, the total
25 initial equalized assessed valuation or the current
26 equalized assessed valuation, whichever is lower, shall
27 be used until such time as all redevelopment project
28 costs have been paid.

29 (b) The real property equalized assessed valuation
30 for a school district shall be adjusted by subtracting
31 from the real property value as equalized or assessed by
32 the Department of Revenue for the district an amount
33 computed by dividing the amount of any abatement of taxes
34 under Section 18-170 of the Property Tax Code by 3.00%

1 for a district maintaining grades kindergarten through
2 12, by 2.30% for a district maintaining grades
3 kindergarten through 8, or by 1.05% for a district
4 maintaining grades 9 through 12 and adjusted by an amount
5 computed by dividing the amount of any abatement of taxes
6 under subsection (a) of Section 18-165 of the Property
7 Tax Code by the same percentage rates for district type
8 as specified in this subparagraph (b).

9 (3) For the 1999-2000 school year and each school year
10 thereafter, if a school district meets all of the criteria of
11 this subsection (G)(3), the school district's Available Local
12 Resources shall be calculated under subsection (D) using the
13 district's Extension Limitation Equalized Assessed Valuation
14 as calculated under this subsection (G)(3).

15 For purposes of this subsection (G)(3) the following
16 terms shall have the following meanings:

17 "Budget Year": The school year for which general
18 State aid is calculated and awarded under subsection (E).

19 "Base Tax Year": The property tax levy year used to
20 calculate the Budget Year allocation of general State
21 aid.

22 "Preceding Tax Year": The property tax levy year
23 immediately preceding the Base Tax Year.

24 "Base Tax Year's Tax Extension": The product of the
25 equalized assessed valuation utilized by the County Clerk
26 in the Base Tax Year multiplied by the limiting rate as
27 calculated by the County Clerk and defined in the
28 Property Tax Extension Limitation Law.

29 "Preceding Tax Year's Tax Extension": The product of
30 the equalized assessed valuation utilized by the County
31 Clerk in the Preceding Tax Year multiplied by the
32 Operating Tax Rate as defined in subsection (A).

33 "Extension Limitation Ratio": A numerical ratio,
34 certified by the County Clerk, in which the numerator is

1 the Base Tax Year's Tax Extension and the denominator is
2 the Preceding Tax Year's Tax Extension.

3 "Operating Tax Rate": The operating tax rate as
4 defined in subsection (A).

5 If a school district is subject to property tax extension
6 limitations as imposed under the Property Tax Extension
7 Limitation Law, the State Board of Education shall calculate
8 the Extension Limitation Equalized Assessed Valuation of that
9 district. For the 1999-2000 school year, the Extension
10 Limitation Equalized Assessed Valuation of a school district
11 as calculated by the State Board of Education shall be equal
12 to the product of the district's 1996 Equalized Assessed
13 Valuation and the district's Extension Limitation Ratio. For
14 the 2000-2001 school year and each school year thereafter,
15 the Extension Limitation Equalized Assessed Valuation of a
16 school district as calculated by the State Board of Education
17 shall be equal to the product of the Equalized Assessed
18 Valuation last used in the calculation of general State aid
19 and the district's Extension Limitation Ratio. If the
20 Extension Limitation Equalized Assessed Valuation of a school
21 district as calculated under this subsection (G)(3) is less
22 than the district's equalized assessed valuation as
23 calculated pursuant to subsections (G)(1) and (G)(2), then
24 for purposes of calculating the district's general State aid
25 for the Budget Year pursuant to subsection (E), that
26 Extension Limitation Equalized Assessed Valuation shall be
27 utilized to calculate the district's Available Local
28 Resources under subsection (D).

29 (4) For the purposes of calculating general State aid
30 for the 1999-2000 school year only, if a school district
31 experienced a triennial reassessment on the equalized
32 assessed valuation used in calculating its general State
33 financial aid apportionment for the 1998-1999 school year,
34 the State Board of Education shall calculate the Extension

1 Limitation Equalized Assessed Valuation that would have been
2 used to calculate the district's 1998-1999 general State aid.
3 This amount shall equal the product of the equalized assessed
4 valuation used to calculate general State aid for the
5 1997-1998 school year and the district's Extension Limitation
6 Ratio. If the Extension Limitation Equalized Assessed
7 Valuation of the school district as calculated under this
8 paragraph (4) is less than the district's equalized assessed
9 valuation utilized in calculating the district's 1998-1999
10 general State aid allocation, then for purposes of
11 calculating the district's general State aid pursuant to
12 paragraph (5) of subsection (E), that Extension Limitation
13 Equalized Assessed Valuation shall be utilized to calculate
14 the district's Available Local Resources.

15 (5) For school districts having a majority of their
16 equalized assessed valuation in any county except Cook,
17 DuPage, Kane, Lake, McHenry, or Will, if the amount of
18 general State aid allocated to the school district for the
19 1999-2000 school year under the provisions of subsection (E),
20 (H), and (J) of this Section is less than the amount of
21 general State aid allocated to the district for the 1998-1999
22 school year under these subsections, then the general State
23 aid of the district for the 1999-2000 school year only shall
24 be increased by the difference between these amounts. The
25 total payments made under this paragraph (5) shall not exceed
26 \$14,000,000. Claims shall be prorated if they exceed
27 \$14,000,000.

28 (H) Supplemental General State Aid.

29 (1) In addition to the general State aid a school
30 district is allotted pursuant to subsection (E), qualifying
31 school districts shall receive a grant, paid in conjunction
32 with a district's payments of general State aid, for
33 supplemental general State aid based upon the concentration
34 level of children from low-income households within the

1 school district. Supplemental State aid grants provided for
2 school districts under this subsection shall be appropriated
3 for distribution to school districts as part of the same line
4 item in which the general State financial aid of school
5 districts is appropriated under this Section.

6 (1.5) This paragraph (1.5) applies only to those school
7 years preceding the 2003-2004 school year. For purposes of
8 this subsection (H), the term "Low-Income Concentration
9 Level" shall be the low-income eligible pupil count from the
10 most recently available federal census divided by the Average
11 Daily Attendance of the school district. If, however, (i) the
12 percentage decrease from the 2 most recent federal censuses
13 in the low-income eligible pupil count of a high school
14 district with fewer than 400 students exceeds by 75% or more
15 the percentage change in the total low-income eligible pupil
16 count of contiguous elementary school districts, whose
17 boundaries are coterminous with the high school district, or
18 (ii) a high school district within 2 counties and serving 5
19 elementary school districts, whose boundaries are coterminous
20 with the high school district, has a percentage decrease from
21 the 2 most recent federal censuses in the low-income eligible
22 pupil count and there is a percentage increase in the total
23 low-income eligible pupil count of a majority of the
24 elementary school districts in excess of 50% from the 2 most
25 recent federal censuses, then the high school district's
26 low-income eligible pupil count from the earlier federal
27 census shall be the number used as the low-income eligible
28 pupil count for the high school district, for purposes of
29 this subsection (H). The changes made to this paragraph (1)
30 by Public Act 92-28 shall apply to supplemental general State
31 aid grants for school years preceding the 2003-2004 school
32 year that are paid in fiscal year 1999 ~~or and-in-each-fiscal~~
33 year thereafter and to any State aid payments made in fiscal
34 year 1994 through fiscal year 1998 pursuant to subsection

1 1(n) of Section 18-8 of this Code (which was repealed on July
2 1, 1998), and any high school district that is affected by
3 Public Act 92-28 is entitled to a recomputation of its
4 supplemental general State aid grant or State aid paid in any
5 of those fiscal years. This recomputation shall not be
6 affected by any other funding.

7 (1.10) This paragraph (1.10) applies to the 2003-2004
8 school year and each school year thereafter. For purposes of
9 this subsection (4), the term "Low-Income Concentration
10 Level" shall be the low-income eligible pupil count (as
11 determined by the Department of Human Services based on the
12 number of pupils who are eligible for at least one of the
13 following low income programs: Medicaid, KidCare, TANF, and
14 Food Stamps) divided by the Average Daily Attendance of the
15 school district.

16 (2) Supplemental general State aid pursuant to this
17 subsection (H) shall be provided as follows for the
18 1998-1999, 1999-2000, and 2000-2001 school years only:

19 (a) For any school district with a Low Income
20 Concentration Level of at least 20% and less than 35%,
21 the grant for any school year shall be \$800 multiplied by
22 the low income eligible pupil count.

23 (b) For any school district with a Low Income
24 Concentration Level of at least 35% and less than 50%,
25 the grant for the 1998-1999 school year shall be \$1,100
26 multiplied by the low income eligible pupil count.

27 (c) For any school district with a Low Income
28 Concentration Level of at least 50% and less than 60%,
29 the grant for the 1998-99 school year shall be \$1,500
30 multiplied by the low income eligible pupil count.

31 (d) For any school district with a Low Income
32 Concentration Level of 60% or more, the grant for the
33 1998-99 school year shall be \$1,900 multiplied by the low
34 income eligible pupil count.

1 (e) For the 1999-2000 school year, the per pupil
2 amount specified in subparagraphs (b), (c), and (d)
3 immediately above shall be increased to \$1,243, \$1,600,
4 and \$2,000, respectively.

5 (f) For the 2000-2001 school year, the per pupil
6 amounts specified in subparagraphs (b), (c), and (d)
7 immediately above shall be \$1,273, \$1,640, and \$2,050,
8 respectively.

9 (2.5) Supplemental general State aid pursuant to this
10 subsection (H) shall be provided as follows for the 2002-2003
11 school year ~~and each school year thereafter~~:

12 (a) For any school district with a Low Income
13 Concentration Level of less than 10%, the grant for each
14 school year shall be \$355 multiplied by the low income
15 eligible pupil count.

16 (b) For any school district with a Low Income
17 Concentration Level of at least 10% and less than 20%,
18 the grant for each school year shall be \$675 multiplied
19 by the low income eligible pupil count.

20 (c) For any school district with a Low Income
21 Concentration Level of at least 20% and less than 35%,
22 the grant for each school year shall be \$1,330 multiplied
23 by the low income eligible pupil count.

24 (d) For any school district with a Low Income
25 Concentration Level of at least 35% and less than 50%,
26 the grant for each school year shall be \$1,362 multiplied
27 by the low income eligible pupil count.

28 (e) For any school district with a Low Income
29 Concentration Level of at least 50% and less than 60%,
30 the grant for each school year shall be \$1,680 multiplied
31 by the low income eligible pupil count.

32 (f) For any school district with a Low Income
33 Concentration Level of 60% or more, the grant for each
34 school year shall be \$2,080 multiplied by the low income

1 eligible pupil count.

2 (2.10) Supplemental general State aid pursuant to this
3 subsection (H) shall be provided as follows for the 2003-2004
4 school year and each school year thereafter:

5 (a) For any school district with a Low Income
6 Concentration Level of 15% or less, the grant for each
7 school year shall be \$355 multiplied by the low income
8 eligible pupil count.

9 (b) For any school district with a Low Income
10 Concentration Level greater than 15%, the grant for each
11 school year shall be \$294.25 added to \$2,700 and
12 multiplied by the square of the Low Income Concentration
13 Level, all multiplied by the low income eligible pupil
14 count.

15 (3) School districts with an Average Daily Attendance of
16 more than 1,000 and less than 50,000 that qualify for
17 supplemental general State aid pursuant to this subsection
18 shall submit a plan to the State Board of Education prior to
19 October 30 of each year for the use of the funds resulting
20 from this grant of supplemental general State aid for the
21 improvement of instruction in which priority is given to
22 meeting the education needs of disadvantaged children. Such
23 plan shall be submitted in accordance with rules and
24 regulations promulgated by the State Board of Education.

25 (4) School districts with an Average Daily Attendance of
26 50,000 or more that qualify for supplemental general State
27 aid pursuant to this subsection shall be required to
28 distribute from funds available pursuant to this Section, no
29 less than \$261,000,000 in accordance with the following
30 requirements:

31 (a) The required amounts shall be distributed to
32 the attendance centers within the district in proportion
33 to the number of pupils enrolled at each attendance
34 center who are eligible to receive free or reduced-price

1 lunches or breakfasts under the federal Child Nutrition
2 Act of 1966 and under the National School Lunch Act
3 during the immediately preceding school year.

4 (b) The distribution of these portions of
5 supplemental and general State aid among attendance
6 centers according to these requirements shall not be
7 compensated for or contravened by adjustments of the
8 total of other funds appropriated to any attendance
9 centers, and the Board of Education shall utilize funding
10 from one or several sources in order to fully implement
11 this provision annually prior to the opening of school.

12 (c) Each attendance center shall be provided by the
13 school district a distribution of noncategorical funds
14 and other categorical funds to which an attendance center
15 is entitled under law in order that the general State aid
16 and supplemental general State aid provided by
17 application of this subsection supplements rather than
18 supplants the noncategorical funds and other categorical
19 funds provided by the school district to the attendance
20 centers.

21 (d) Any funds made available under this subsection
22 that by reason of the provisions of this subsection are
23 not required to be allocated and provided to attendance
24 centers may be used and appropriated by the board of the
25 district for any lawful school purpose.

26 (e) Funds received by an attendance center pursuant
27 to this subsection shall be used by the attendance center
28 at the discretion of the principal and local school
29 council for programs to improve educational opportunities
30 at qualifying schools through the following programs and
31 services: early childhood education, reduced class size
32 or improved adult to student classroom ratio, enrichment
33 programs, remedial assistance, attendance improvement,
34 and other educationally beneficial expenditures which

1 supplement the regular and basic programs as determined
2 by the State Board of Education. Funds provided shall not
3 be expended for any political or lobbying purposes as
4 defined by board rule.

5 (f) Each district subject to the provisions of this
6 subdivision (H)(4) shall submit an acceptable plan to
7 meet the educational needs of disadvantaged children, in
8 compliance with the requirements of this paragraph, to
9 the State Board of Education prior to July 15 of each
10 year. This plan shall be consistent with the decisions of
11 local school councils concerning the school expenditure
12 plans developed in accordance with part 4 of Section
13 34-2.3. The State Board shall approve or reject the plan
14 within 60 days after its submission. If the plan is
15 rejected, the district shall give written notice of
16 intent to modify the plan within 15 days of the
17 notification of rejection and then submit a modified plan
18 within 30 days after the date of the written notice of
19 intent to modify. Districts may amend approved plans
20 pursuant to rules promulgated by the State Board of
21 Education.

22 Upon notification by the State Board of Education
23 that the district has not submitted a plan prior to July
24 15 or a modified plan within the time period specified
25 herein, the State aid funds affected by that plan or
26 modified plan shall be withheld by the State Board of
27 Education until a plan or modified plan is submitted.

28 If the district fails to distribute State aid to
29 attendance centers in accordance with an approved plan,
30 the plan for the following year shall allocate funds, in
31 addition to the funds otherwise required by this
32 subsection, to those attendance centers which were
33 underfunded during the previous year in amounts equal to
34 such underfunding.

1 For purposes of determining compliance with this
2 subsection in relation to the requirements of attendance
3 center funding, each district subject to the provisions
4 of this subsection shall submit as a separate document by
5 December 1 of each year a report of expenditure data for
6 the prior year in addition to any modification of its
7 current plan. If it is determined that there has been a
8 failure to comply with the expenditure provisions of this
9 subsection regarding contravention or supplanting, the
10 State Superintendent of Education shall, within 60 days
11 of receipt of the report, notify the district and any
12 affected local school council. The district shall within
13 45 days of receipt of that notification inform the State
14 Superintendent of Education of the remedial or corrective
15 action to be taken, whether by amendment of the current
16 plan, if feasible, or by adjustment in the plan for the
17 following year. Failure to provide the expenditure
18 report or the notification of remedial or corrective
19 action in a timely manner shall result in a withholding
20 of the affected funds.

21 The State Board of Education shall promulgate rules
22 and regulations to implement the provisions of this
23 subsection. No funds shall be released under this
24 subdivision (H)(4) to any district that has not submitted
25 a plan that has been approved by the State Board of
26 Education.

27 (I) General State Aid for Newly Configured School Districts.

28 (1) For a new school district formed by combining
29 property included totally within 2 or more previously
30 existing school districts, for its first year of existence
31 the general State aid and supplemental general State aid
32 calculated under this Section shall be computed for the new
33 district and for the previously existing districts for which
34 property is totally included within the new district. If the

1 computation on the basis of the previously existing districts
2 is greater, a supplementary payment equal to the difference
3 shall be made for the first 4 years of existence of the new
4 district.

5 (2) For a school district which annexes all of the
6 territory of one or more entire other school districts, for
7 the first year during which the change of boundaries
8 attributable to such annexation becomes effective for all
9 purposes as determined under Section 7-9 or 7A-8, the general
10 State aid and supplemental general State aid calculated under
11 this Section shall be computed for the annexing district as
12 constituted after the annexation and for the annexing and
13 each annexed district as constituted prior to the annexation;
14 and if the computation on the basis of the annexing and
15 annexed districts as constituted prior to the annexation is
16 greater, a supplementary payment equal to the difference
17 shall be made for the first 4 years of existence of the
18 annexing school district as constituted upon such annexation.

19 (3) For 2 or more school districts which annex all of
20 the territory of one or more entire other school districts,
21 and for 2 or more community unit districts which result upon
22 the division (pursuant to petition under Section 11A-2) of
23 one or more other unit school districts into 2 or more parts
24 and which together include all of the parts into which such
25 other unit school district or districts are so divided, for
26 the first year during which the change of boundaries
27 attributable to such annexation or division becomes effective
28 for all purposes as determined under Section 7-9 or 11A-10,
29 as the case may be, the general State aid and supplemental
30 general State aid calculated under this Section shall be
31 computed for each annexing or resulting district as
32 constituted after the annexation or division and for each
33 annexing and annexed district, or for each resulting and
34 divided district, as constituted prior to the annexation or

1 division; and if the aggregate of the general State aid and
2 supplemental general State aid as so computed for the
3 annexing or resulting districts as constituted after the
4 annexation or division is less than the aggregate of the
5 general State aid and supplemental general State aid as so
6 computed for the annexing and annexed districts, or for the
7 resulting and divided districts, as constituted prior to the
8 annexation or division, then a supplementary payment equal to
9 the difference shall be made and allocated between or among
10 the annexing or resulting districts, as constituted upon such
11 annexation or division, for the first 4 years of their
12 existence. The total difference payment shall be allocated
13 between or among the annexing or resulting districts in the
14 same ratio as the pupil enrollment from that portion of the
15 annexed or divided district or districts which is annexed to
16 or included in each such annexing or resulting district bears
17 to the total pupil enrollment from the entire annexed or
18 divided district or districts, as such pupil enrollment is
19 determined for the school year last ending prior to the date
20 when the change of boundaries attributable to the annexation
21 or division becomes effective for all purposes. The amount
22 of the total difference payment and the amount thereof to be
23 allocated to the annexing or resulting districts shall be
24 computed by the State Board of Education on the basis of
25 pupil enrollment and other data which shall be certified to
26 the State Board of Education, on forms which it shall provide
27 for that purpose, by the regional superintendent of schools
28 for each educational service region in which the annexing and
29 annexed districts, or resulting and divided districts are
30 located.

31 (3.5) Claims for financial assistance under this
32 subsection (I) shall not be recomputed except as expressly
33 provided under this Section.

34 (4) Any supplementary payment made under this subsection

1 (I) shall be treated as separate from all other payments made
2 pursuant to this Section.

3 (J) Supplementary Grants in Aid.

4 (0.05) This subsection (J) applies only to school years
5 preceding the 2003-2004 school year.

6 (1) Notwithstanding any other provisions of this
7 Section, the amount of the aggregate general State aid in
8 combination with supplemental general State aid under this
9 Section for which each school district is eligible shall be
10 no less than the amount of the aggregate general State aid
11 entitlement that was received by the district under Section
12 18-8 (exclusive of amounts received under subsections 5(p)
13 and 5(p-5) of that Section) for the 1997-98 school year,
14 pursuant to the provisions of that Section as it was then in
15 effect. If a school district qualifies to receive a
16 supplementary payment made under this subsection (J), the
17 amount of the aggregate general State aid in combination with
18 supplemental general State aid under this Section which that
19 district is eligible to receive for each school year shall be
20 no less than the amount of the aggregate general State aid
21 entitlement that was received by the district under Section
22 18-8 (exclusive of amounts received under subsections 5(p)
23 and 5(p-5) of that Section) for the 1997-1998 school year,
24 pursuant to the provisions of that Section as it was then in
25 effect.

26 (2) If, as provided in paragraph (1) of this subsection
27 (J), a school district is to receive aggregate general State
28 aid in combination with supplemental general State aid under
29 this Section for the 1998-99 school year and any subsequent
30 school year that in any such school year is less than the
31 amount of the aggregate general State aid entitlement that
32 the district received for the 1997-98 school year, the school
33 district shall also receive, from a separate appropriation
34 made for purposes of this subsection (J), a supplementary

1 payment that is equal to the amount of the difference in the
2 aggregate State aid figures as described in paragraph (1).

3 (3) (Blank).

4 (K) Grants to Laboratory and Alternative Schools.

5 In calculating the amount to be paid to the governing
6 board of a public university that operates a laboratory
7 school under this Section or to any alternative school that
8 is operated by a regional superintendent of schools, the
9 State Board of Education shall require by rule such reporting
10 requirements as it deems necessary.

11 As used in this Section, "laboratory school" means a
12 public school which is created and operated by a public
13 university and approved by the State Board of Education. The
14 governing board of a public university which receives funds
15 from the State Board under this subsection (K) may not
16 increase the number of students enrolled in its laboratory
17 school from a single district, if that district is already
18 sending 50 or more students, except under a mutual agreement
19 between the school board of a student's district of residence
20 and the university which operates the laboratory school. A
21 laboratory school may not have more than 1,000 students,
22 excluding students with disabilities in a special education
23 program.

24 As used in this Section, "alternative school" means a
25 public school which is created and operated by a Regional
26 Superintendent of Schools and approved by the State Board of
27 Education. Such alternative schools may offer courses of
28 instruction for which credit is given in regular school
29 programs, courses to prepare students for the high school
30 equivalency testing program or vocational and occupational
31 training. A regional superintendent of schools may contract
32 with a school district or a public community college district
33 to operate an alternative school. An alternative school
34 serving more than one educational service region may be

1 established by the regional superintendents of schools of the
2 affected educational service regions. An alternative school
3 serving more than one educational service region may be
4 operated under such terms as the regional superintendents of
5 schools of those educational service regions may agree.

6 Each laboratory and alternative school shall file, on
7 forms provided by the State Superintendent of Education, an
8 annual State aid claim which states the Average Daily
9 Attendance of the school's students by month. The best 3
10 months' Average Daily Attendance shall be computed for each
11 school. The general State aid entitlement shall be computed
12 by multiplying the applicable Average Daily Attendance by the
13 Foundation Level as determined under this Section.

14 (L) Payments, Additional Grants in Aid and Other
15 Requirements.

16 (1) For a school district operating under the financial
17 supervision of an Authority created under Article 34A, the
18 general State aid otherwise payable to that district under
19 this Section, but not the supplemental general State aid,
20 shall be reduced by an amount equal to the budget for the
21 operations of the Authority as certified by the Authority to
22 the State Board of Education, and an amount equal to such
23 reduction shall be paid to the Authority created for such
24 district for its operating expenses in the manner provided in
25 Section 18-11. The remainder of general State school aid for
26 any such district shall be paid in accordance with Article
27 34A when that Article provides for a disposition other than
28 that provided by this Article.

29 (2) (Blank).

30 (3) Summer school. Summer school payments shall be made
31 as provided in Section 18-4.3.

32 (M) Education Funding Advisory Board.

33 The Education Funding Advisory Board, hereinafter in this

1 subsection (M) referred to as the "Board", is hereby created.
2 The Board shall consist of 5 members who are appointed by the
3 Governor, by and with the advice and consent of the Senate.
4 The members appointed shall include representatives of
5 education, business, and the general public. One of the
6 members so appointed shall be designated by the Governor at
7 the time the appointment is made as the chairperson of the
8 Board. The initial members of the Board may be appointed any
9 time after the effective date of this amendatory Act of 1997.
10 The regular term of each member of the Board shall be for 4
11 years from the third Monday of January of the year in which
12 the term of the member's appointment is to commence, except
13 that of the 5 initial members appointed to serve on the
14 Board, the member who is appointed as the chairperson shall
15 serve for a term that commences on the date of his or her
16 appointment and expires on the third Monday of January, 2002,
17 and the remaining 4 members, by lots drawn at the first
18 meeting of the Board that is held after all 5 members are
19 appointed, shall determine 2 of their number to serve for
20 terms that commence on the date of their respective
21 appointments and expire on the third Monday of January, 2001,
22 and 2 of their number to serve for terms that commence on the
23 date of their respective appointments and expire on the third
24 Monday of January, 2000. All members appointed to serve on
25 the Board shall serve until their respective successors are
26 appointed and confirmed. Vacancies shall be filled in the
27 same manner as original appointments. If a vacancy in
28 membership occurs at a time when the Senate is not in
29 session, the Governor shall make a temporary appointment
30 until the next meeting of the Senate, when he or she shall
31 appoint, by and with the advice and consent of the Senate, a
32 person to fill that membership for the unexpired term. If
33 the Senate is not in session when the initial appointments
34 are made, those appointments shall be made as in the case of

1 vacancies.

2 The Education Funding Advisory Board shall be deemed
3 established, and the initial members appointed by the
4 Governor to serve as members of the Board shall take office,
5 on the date that the Governor makes his or her appointment of
6 the fifth initial member of the Board, whether those initial
7 members are then serving pursuant to appointment and
8 confirmation or pursuant to temporary appointments that are
9 made by the Governor as in the case of vacancies.

10 The State Board of Education shall provide such staff
11 assistance to the Education Funding Advisory Board as is
12 reasonably required for the proper performance by the Board
13 of its responsibilities.

14 For school years after the 2000-2001 school year, the
15 Education Funding Advisory Board, in consultation with the
16 State Board of Education, shall make recommendations as
17 provided in this subsection (M) to the General Assembly for
18 the foundation level under subdivision (B)(3) of this Section
19 and for the supplemental general State aid grant level under
20 subsection (H) of this Section for districts with high
21 concentrations of children from poverty. The recommended
22 foundation level shall be determined based on a methodology
23 which incorporates the basic education expenditures of
24 low-spending schools exhibiting high academic performance.
25 The Education Funding Advisory Board shall make such
26 recommendations to the General Assembly on January 1 of odd
27 numbered years, beginning January 1, 2001.

28 (N) (Blank).

29 (O) References.

30 (1) References in other laws to the various subdivisions
31 of Section 18-8 as that Section existed before its repeal and
32 replacement by this Section 18-8.05 shall be deemed to refer
33 to the corresponding provisions of this Section 18-8.05, to

1 the extent that those references remain applicable.

2 (2) References in other laws to State Chapter 1 funds
3 shall be deemed to refer to the supplemental general State
4 aid provided under subsection (H) of this Section.

5 (Source: P.A. 91-24, eff. 7-1-99; 91-93, eff. 7-9-99; 91-96,
6 eff. 7-9-99; 91-111, eff. 7-14-99; 91-357, eff. 7-29-99;
7 91-533, eff. 8-13-99; 92-7, eff. 6-29-01; 92-16, eff.
8 6-28-01; 92-28, eff. 7-1-01; 92-29, eff. 7-1-01; 92-269, eff.
9 8-7-01; 92-604, eff. 7-1-02; 92-651, eff. 7-11-02; 92-636,
10 eff. 7-11-02; revised 7-26-02.)

11 Section 5-10. The State Aid Continuing Appropriation Law
12 is amended by changing Sections 15-10, 15-15, and 15-25 and
13 adding Section 15-21 as follows:

14 (105 ILCS 235/15-10)

15 (Section scheduled to be repealed on June 30, 2003)

16 Sec. 15-10. Annual budget; recommendation. The Governor
17 shall include a Common School Fund recommendation to the
18 State Board of Education in the ~~fiscal-year-1999-through-2003~~
19 annual Budget Budgets sufficient to fund ~~(i)~~ the General
20 State Aid Formula set forth in subsection (E) (Computation of
21 General State Aid) and subsection (H) (Supplemental General
22 State Aid) of Section 18-8.05 of the School Code and ~~(ii)-the~~
23 ~~supplementary-payments-for--school--districts--set--forth--in~~
24 ~~subsection--(J)--(Supplementary--Grants--in--Aid)--of-Section~~
25 ~~18-8.05-of-the-School-Code.~~

26 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

27 (105 ILCS 235/15-15)

28 (Section scheduled to be repealed on June 30, 2003)

29 Sec. 15-15. State Aid Formula; Funding. The General
30 Assembly shall annually make Common School Fund
31 appropriations to the State Board of Education in ~~--fiscal~~

1 years--1999--through--2003 sufficient to fund (i) the General
 2 State Aid Formula set forth in subsection (E) (Computation of
 3 General State Aid) and subsection (H) (Supplemental General
 4 State Aid) of Section 18-8.05 of the School Code and (ii) the
 5 supplementary--payments--for--school--districts--set--forth--in
 6 subsection-(J)--(Supplementary--Grants--in--Aid)--of--Section
 7 18-8.05-of-the-School-Code.

8 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

9 (105 ILCS 235/15-21 new)

10 Sec. 15-21. Continuing appropriation. If the General
 11 Assembly fails to make Common School Fund appropriations to
 12 the State Board of Education in fiscal year 2004 or in any
 13 fiscal year thereafter sufficient to fund the General State
 14 Aid Formula set forth in subsection (E) (Computation of
 15 General State Aid) and subsection (H) (Supplemental General
 16 State Aid) of Section 18-8.05 of the School Code, this Law
 17 shall constitute an irrevocable and continuing appropriation
 18 from the Common School Fund of all amounts necessary for
 19 those purposes.

20 (105 ILCS 235/15-25)

21 (Section scheduled to be repealed on June 30, 2003)

22 ~~Sec. 15-25. Repeal. This Article is repealed--June--30,~~
 23 ~~2003.~~ Section 15-20 of this Article is repealed June 30,
 24 2002.

25 (Source: P.A. 92-7, eff. 6-29-01; 92-597, eff. 6-28-02.)

26 ARTICLE 10

27 Section 10-5. The Election Code is amended by changing
 28 Section 28-2 as follows:

29 (10 ILCS 5/28-2) (from Ch. 46, par. 28-2)

1 Sec. 28-2. (a) Except as otherwise provided in this
2 Section, petitions for the submission of public questions to
3 referendum must be filed with the appropriate officer or
4 board not less than 78 days prior to a regular election to be
5 eligible for submission on the ballot at such election; and
6 petitions for the submission of a question under Section
7 18-120 of the Property Tax Code must be filed with the
8 appropriate officer or board not more than 10 months nor less
9 than 6 months prior to the election at which such question is
10 to be submitted to the voters.

11 (b) However, petitions for the submission of a public
12 question to referendum which proposes the creation or
13 formation of a political subdivision must be filed with the
14 appropriate officer or board not less than 108 days prior to
15 a regular election to be eligible for submission on the
16 ballot at such election.

17 (c) Resolutions or ordinances of governing boards of
18 political subdivisions which initiate the submission of
19 public questions pursuant to law must be adopted not less
20 than 65 days before a regularly scheduled election to be
21 eligible for submission on the ballot at such election.

22 (d) A petition, resolution or ordinance initiating the
23 submission of a public question may specify a regular
24 election at which the question is to be submitted, and must
25 so specify if the statute authorizing the public question
26 requires submission at a particular election. However, no
27 petition, resolution or ordinance initiating the submission
28 of a public question, other than a legislative resolution
29 initiating an amendment to the Constitution, may specify such
30 submission at an election more than one year after the date
31 on which it is filed or adopted, as the case may be. A
32 petition, resolution or ordinance initiating a public
33 question which specifies a particular election at which the
34 question is to be submitted shall be so limited, and shall

1 not be valid as to any other election, other than an
2 emergency referendum ordered pursuant to Section 2A-1.4.

3 (e) If a petition initiating a public question does not
4 specify a regularly scheduled election, the public question
5 shall be submitted to referendum at the next regular election
6 occurring not less than 78 days after the filing of the
7 petition, or not less than 108 days after the filing of a
8 petition for referendum to create a political subdivision.
9 If a resolution or ordinance initiating a public question
10 does not specify a regularly scheduled election, the public
11 question shall be submitted to referendum at the next regular
12 election occurring not less than 65 days after the adoption
13 of the resolution or ordinance.

14 (f) In the case of back door referenda, any limitations
15 in another statute authorizing such a referendum which
16 restrict the time in which the initiating petition may be
17 validly filed shall apply to such petition, in addition to
18 the filing deadlines specified in this Section for submission
19 at a particular election. In the case of any back door
20 referendum, the publication of the ordinance or resolution of
21 the political subdivision shall include a notice of (1) the
22 specific number of voters required to sign a petition
23 requesting that a public question be submitted to the voters
24 of the subdivision; (2) the time within which the petition
25 must be filed; and (3) the date of the prospective
26 referendum. The secretary or clerk of the political
27 subdivision shall provide a petition form to any individual
28 requesting one. As used herein, a "back door referendum" is
29 the submission of a public question to the voters of a
30 political subdivision, initiated by a petition of voters or
31 residents of such political subdivision, to determine whether
32 an action by the governing body of such subdivision shall be
33 adopted or rejected.

34 (g) A petition for the incorporation or formation of a

1 new political subdivision whose officers are to be elected
 2 rather than appointed must have attached to it an affidavit
 3 attesting that at least 108 days and no more than 138 days
 4 prior to such election notice of intention to file such
 5 petition was published in a newspaper published within the
 6 proposed political subdivision, or if none, in a newspaper of
 7 general circulation within the territory of the proposed
 8 political subdivision in substantially the following form:

9 NOTICE OF PETITION TO FORM A NEW.....

10 Residents of the territory described below are notified
 11 that a petition will or has been filed in the Office
 12 of.....requesting a referendum to establish a
 13 new....., to be called the.....

14 *The officers of the new.....will be elected on the
 15 same day as the referendum. Candidates for the governing
 16 board of the new.....may file nominating petitions with the
 17 officer named above until.....

18 The territory proposed to comprise the new.....is
 19 described as follows:

20 (description of territory included in petition)

21 (signature).....

22 Name and address of person or persons proposing
 23 the new political subdivision.

24 * Where applicable.

25 Failure to file such affidavit, or failure to publish the
 26 required notice with the correct information contained
 27 therein shall render the petition, and any referendum held
 28 pursuant to such petition, null and void.

29 Notwithstanding the foregoing provisions of this
 30 subsection (g) or any other provisions of this Code, the
 31 publication of notice and affidavit requirements of this
 32 subsection (g) shall not apply to any petition filed under
 33 Article 7₇, 7A, 11A, 11B, or 11D of the School Code nor to any
 34 referendum held pursuant to any such petition, and neither

1 any petition filed under any of those Articles nor any
2 referendum held pursuant to any such petition shall be
3 rendered null and void because of the failure to file an
4 affidavit or publish a notice with respect to the petition or
5 referendum as required under this subsection (g) for
6 petitions that are not filed under any of those Articles of
7 the School Code.

8 (Source: P.A. 90-459, eff. 8-17-97.)

9 Section 10-10. The School Code is amended by changing
10 Sections 2-3.25d, 3-14, 7-1, 7-2, 7-4, 7-6, 7-9, 11A-2,
11 11A-3, 11A-8, 11B-2, 18-8.2, 18-8.3, and 18-8.5 and adding
12 Sections 3-14.29, 18-8.6a, and 18-8.6b as follows:

13 (105 ILCS 5/2-3.25d) (from Ch. 122, par. 2-3.25d)

14 Sec. 2-3.25d. Academic watch list. Those schools that
15 are not meeting the standards of academic performance
16 measured by the State assessment of student performance as
17 specified by the State Board of Education may be placed on an
18 academic watch list established by the State Superintendent
19 of Education after serving for 2 years on the State Board of
20 Education Early Academic Warning List and shall be subject to
21 an on-site visitation to determine whether extenuating
22 circumstances exist as to why a school or schools should not
23 be placed on an academic watch list by the State
24 Superintendent of Education.

25 A school district that has one or more schools on the
26 academic watch list shall submit a revised School Improvement
27 Plan or amendments thereto setting forth the district's
28 expectations for removing each school in the district from
29 the academic watch list and for improving student performance
30 in that school. Districts operating under Article 34 of The
31 School Code may submit the School Improvement Plan required
32 under Section 34-2.4. If any district submits a School

1 Improvement Plan which exceeds 2 years in duration, the Plan
 2 shall contain provisions for evaluation and determination as
 3 to the improvement of student performance or school
 4 improvement after no later than 2 years. The revised School
 5 Improvement Plan or amendments thereto shall be developed in
 6 consultation with the staff of the affected school and must
 7 be approved by the local board of education and the school's
 8 local school council for districts operating under Article 34
 9 of the School Code. Revised School Improvement Plans must be
 10 submitted for approval to the State Superintendent of
 11 Education pursuant to rules and regulations promulgated by
 12 the State Board of Education. The revised School Improvement
 13 Plan shall address specific, measurable outcomes for
 14 improving student performance so that such performance equals
 15 or exceeds standards set for the school by the State Board of
 16 Education.

17 A school or schools shall remain on the academic watch
 18 list for at least one full academic year. During each
 19 academic year for which a school is on the academic watch
 20 list it shall continue to be evaluated and assessed by the
 21 State Board of Education as to whether it is meeting outcomes
 22 identified in its revised School Improvement Plan.

23 Any school district organized on or after July 1, 2002
 24 under Article 7, 7A, 11A, or 11B of this Code is exempted
 25 from the provisions of this Section for a period of 5 years
 26 commencing on the effective date of the reorganization.

27 The provisions of this Section are subject to the
 28 provisions of Section 2-3.25k.

29 (Source: P.A. 89-398, eff. 8-20-95; 89-698, eff. 1-14-97.)

30 (105 ILCS 5/3-14) (from Ch. 122, par. 3-14)
 31 Sec. 3-14. Duties of regional superintendent. The
 32 regional superintendent of schools shall perform the duties
 33 enumerated in the following Sections preceding Section 3-15

1 Sections-3-14.1-through-3-14.25.

2 (Source: P.A. 83-503.)

3 (105 ILCS 5/3-14.29 new)

4 Sec. 3-14.29. Reorganization feasibility study. To
5 appoint a steering committee and serve as executive secretary
6 in order to conduct a consolidation feasibility study for all
7 school districts within the educational service region. The
8 State Board of Education shall adopt rules to ensure that the
9 study is standard in statewide scope. The steering committee
10 shall have all of the following duties:

11 (1) To prepare a plan for the reorganization of
12 school districts in the region into administrative units
13 serving students in grades kindergarten through 12 with a
14 minimum of 250 students in grades 9 through 12.

15 (2) To submit the feasibility study to the
16 administration, school boards, and State legislators of
17 the affected school districts.

18 (3) To facilitate the completion of additional
19 studies if needed.

20 (105 ILCS 5/7-1) (from Ch. 122, par. 7-1)

21 Sec. 7-1. Districts in one educational service region -
22 changing boundaries.

23 (a) School district boundaries lying entirely within any
24 educational service region may be changed by detachment,
25 annexation, division or dissolution or any combination
26 thereof by the regional board of school trustees of such
27 region, or by the State Superintendent of Education as
28 provided in subsection (1) of Section 7-6, when petitioned by
29 the boards of each district affected or by a majority of the
30 registered voters in each district affected or by two-thirds
31 of the registered voters in any territory proposed to be
32 detached from one or more districts or in each of one or more

1 districts proposed to be annexed to another district.
 2 Registered voters shall be determined by the official voter
 3 registration lists as of the date the petition is filed. No
 4 signatures shall be added after the date the petition is
 5 filed. If there are no registered voters within the
 6 territory proposed to be detached from one or more districts,
 7 then the petition may be signed by all of the owners of
 8 record of the real estate of the territory. Notwithstanding
 9 any--other--provisions--of--this--Article,--if--pursuant--to--a
 10 petition--filed--under--this--subsection--all--of--the--territory--of
 11 a--school--district--is--to--be--annexed--to--another--school
 12 district,--any--action--by--the--regional--board--of--school--trustees
 13 or--State--Superintendent--of--Education--in--granting--or--approving
 14 the--petition--and--any--change--in--school--district--boundaries
 15 pursuant--to--that--action--is--subject--to--and--the--change--in
 16 school--district--boundaries--shall--not--be--made--except--upon
 17 approval--at--a--regular--scheduled--election,--in--the--manner
 18 provided--by--Section--7-7.7,--of--a--proposition--for--the
 19 annexation--of--all--of--the--territory--of--that--school--district--to
 20 the--other--school--district.

21 Each page of the circulated petition shall include the
 22 full prayer of the petition, and each signature contained
 23 therein shall match the official signature and address of the
 24 registered voters as recorded in the office of the election
 25 authority having jurisdiction over the county. Each
 26 petitioner shall also record the date of his signing. Each
 27 page of the petition shall be signed by a circulator who has
 28 witnessed the signature of each petitioner on that page. The
 29 length of time for signatures to be valid, before filing of
 30 the petition, shall not exceed 6 months.

31 Where there is only one school building in an approved
 32 operating district, the building and building site may not be
 33 included in any detachment proceeding unless petitioned by
 34 two-thirds of the registered voters within the entire

1 district wherein the school is located.

2 (b) Any elementary or high school district with 100 or
3 more of its students residing upon territory located entirely
4 within a military base or installation operated and
5 maintained by the government of the United States, or any
6 unit school district or any combination of the above
7 mentioned districts with 300 or more of its students residing
8 upon territory located entirely within a military base or
9 installation operated and maintained by the government of the
10 United States, shall, upon the filing with the regional board
11 of school trustees of a petition adopted by resolution of the
12 board of education or a petition signed by a majority of the
13 registered voters residing upon such military base or
14 installation, have all of the territory lying entirely within
15 such military base or installation detached from such school
16 district, and a new school district comprised of such
17 territory shall be created. The petition shall be filed with
18 and decided solely by the regional board of school trustees
19 of the region in which the regional superintendent of schools
20 has supervision of the school district affected. The
21 regional board of school trustees shall have no authority to
22 deny the detachment and creation of a new school district
23 requested in a proper petition filed under this subsection.
24 This subsection shall apply only to those school districts
25 having a population of not fewer than 1,000 and not more than
26 500,000 residents, as ascertained by any special or general
27 census.

28 The new school district shall tuition its students to the
29 same districts that its students were previously attending
30 and the districts from which the new district was detached
31 shall continue to educate the students from the new district,
32 until the federal government provides other arrangements.
33 The federal government shall pay for the education of such
34 children as required by Section 6 of Public Law 81-874.

1 If a school district created under this subsection (b)
2 has not elected a school board and has not become operational
3 within 2 years after the date of detachment, then this
4 district is automatically dissolved and the territory of this
5 district reverts to the school district from which the
6 territory was detached or any successor district thereto.
7 Any school district created under this subsection (b) on or
8 before September 1, 1996 that has not elected a school board
9 and has not been operational since September 1, 1996 is
10 automatically dissolved on the effective date of this
11 amendatory Act of 1999, and on this date the territory of
12 this district reverts to the school district from which the
13 territory was detached. For the automatic dissolution of a
14 school district created under this subsection (b), the
15 regional superintendent of schools who has supervision of the
16 school district from which the territory was detached shall
17 certify to the regional board of school trustees that the
18 school district created under this subsection (b) has been
19 automatically dissolved.

20 (Source: P.A. 90-459, eff. 8-17-97; 91-460, eff. 8-6-99.)

21 (105 ILCS 5/7-2) (from Ch. 122, par. 7-2)

22 Sec. 7-2. Districts in two or more counties; Change of
23 boundaries. Boundaries of existing school districts lying
24 within two or more counties may be changed by detachment,
25 annexation, division, dissolution or any combination thereof
26 by the concurrent action of, taken following a joint hearing
27 before, the regional boards of school trustees of each region
28 affected. For purposes of this Section and Section 7-6, an
29 educational service region shall be deemed to be a region
30 affected if any portion of the territory which the petition
31 seeks to have detached from any school district is located in
32 the region. The petition may be by the boards of each
33 district affected, or by a majority of the legal voters

1 residing in each district affected, or by two-thirds of the
 2 legal voters residing in any territory proposed to be
 3 detached from one or more districts or in each of one or more
 4 districts proposed to be annexed to another district. The
 5 original petition shall be filed with the regional board of
 6 school trustees of the region in which the territory being
 7 detached is located or if territory is being detached from
 8 more than one region then the petition shall be filed with
 9 the regional board of school trustees of the region in which
 10 the regional superintendent has supervision over the greatest
 11 portion of such territory. A certified true copy of the
 12 petition shall be filed with the regional board of school
 13 trustees of each other region affected. Notwithstanding--any
 14 other--provisions--of--this--Article,--if--pursuant--to--a--petition
 15 filed--under--this--Section--all--of--the--territory--of--a--school
 16 district--is--to--be--annexed--to--another--school--district,--any
 17 action--by--the--regional--boards--of--school--trustees--in--granting
 18 the--petition--and--any--changes--in--school--district--boundaries
 19 pursuant--to--that--action--is--subject--to--and--the--change--in
 20 school--district--boundaries--shall--not--be--made--except--upon
 21 approval--at--a--regular--scheduled--election,--in--the--manner
 22 provided--by--Section--7-7.7,--of--a--proposition--for--the
 23 annexation--of--all--of--the--territory--of--that--school--district--to
 24 the--other--school--district.

25 The regional board of school trustees in whose region the
 26 joint hearing on the original petition is conducted shall
 27 send a certified true copy of the transcript of the hearing
 28 to each other region affected. If there are no legal voters
 29 residing within the territory proposed to be detached from
 30 one or more districts, then the petition may be signed by all
 31 of the owners of record of the real estate of the territory.
 32 The annexing district is that district to which territory is
 33 proposed to be added.

34 Where there is only one school building in an approved

1 operating district, the building and building site may not be
2 included in any detachment proceeding unless petitioned by
3 two-thirds of the eligible voters within the entire district
4 wherein the school is located.

5 After September 23, 1983, no petition shall be filed
6 under Sections 7-1 and 7-2 to form a new school district
7 under this Article except that such a petition may be filed
8 under Section 7-1 to form a new school district where the
9 boundaries of such new school district lie entirely within
10 the boundaries of a military base or installation operated
11 and maintained by the government of the United States.

12 (Source: P.A. 90-459, eff. 8-17-97.)

13 (105 ILCS 5/7-4) (from Ch. 122, par. 7-4)

14 Sec. 7-4. Requirements for granting petitions. No
15 petition shall be granted under Sections 7-1 or 7-2 of this
16 Act:

17 (a) If there will be any non-high school territory
18 resulting from the granting of the petition.

19 (b) Unless after granting the petition any community
20 unit district, community consolidated district, elementary
21 district or high school district created shall have a
22 population of at least 2,000 and an equalized assessed
23 valuation of at least \$6,000,000 based upon the last value as
24 equalized by the Department of Revenue as of the date of
25 filing of the petition.

26 (c) Unless the territory within any district so created
27 or any district whose boundaries are affected by the granting
28 of a petition shall after the granting thereof be compact and
29 contiguous except as provided in Section 7-6 of this Act.
30 The fact that a district is divided by territory lying within
31 the corporate limits of the city of Chicago shall not render
32 it non-compact or non-contiguous.

33 (d) To create any school district with a population of

1 less than 2,000 unless the State Board of Education and the
 2 regional superintendent of schools for the region in which
 3 the proposed district will lie shall certify to the regional
 4 board or boards of school trustees that the creation of such
 5 new district will not interfere with the ultimate
 6 reorganization of the territory of such proposed district as
 7 a part of a district having a population of 2,000 or more.
 8 ~~Notwithstanding any other provisions of this Article, the~~
 9 ~~granting or approval by a regional board or regional boards~~
 10 ~~of school trustees or by the State Superintendent of~~
 11 ~~Education of a petition that under subsection (b-5) of~~
 12 ~~Section 7-6 is required to request the submission of a~~
 13 ~~proposition at a regular scheduled election for the purpose~~
 14 ~~of voting for or against the annexation of the territory~~
 15 ~~described in the petition to the school district proposing to~~
 16 ~~annex that territory is subject to, and any change in school~~
 17 ~~district boundaries pursuant to the granting of the petition~~
 18 ~~shall not be made except upon approval of the proposition at~~
 19 ~~the election in the manner provided by Section 7-7.7.~~

20 (Source: P.A. 89-397, eff. 8-20-95; 90-459, eff. 8-17-97.)

21 (105 ILCS 5/7-6) (from Ch. 122, par. 7-6)

22 Sec. 7-6. Petition filing; Notice; Hearing; Decision.

23 (a) Upon the filing of a petition with the secretary of
 24 the regional board of school trustees under the provisions of
 25 Section 7-1 or 7-2 of this Act the secretary shall cause a
 26 copy of such petition to be given to each board of any
 27 district involved in the proposed boundary change and shall
 28 cause a notice thereof to be published once in a newspaper
 29 having general circulation within the area of the territory
 30 described in the petition for the proposed change of
 31 boundaries.

32 (b) When a joint hearing is required under the
 33 provisions of Section 7-2, the secretary also shall cause a

1 copy of the notice to be sent to the regional board of school
 2 trustees of each region affected. Notwithstanding the
 3 foregoing provisions of this Section, if the secretary of the
 4 regional board of school trustees with whom a petition is
 5 filed under Section 7-2 fails, within 30 days after the
 6 filing of such petition, to cause notice thereof to be
 7 published and sent as required by this Section, then the
 8 secretary of the regional board of school trustees of any
 9 other region affected may cause the required notice to be
 10 published and sent, and the joint hearing may be held in any
 11 region affected as provided in the notice so published.

12 (b-5) (Blank). ~~If a petition filed under subsection (a)~~
 13 ~~of Section 7-1 or under Section 7-2 proposes to annex all the~~
 14 ~~territory of a school district to another school district,~~
 15 ~~the petition shall request the submission of a proposition at~~
 16 ~~a regular scheduled election for the purpose of voting for or~~
 17 ~~against the annexation of the territory described in the~~
 18 ~~petition to the school district proposing to annex that~~
 19 ~~territory. No petition filed or election held under this~~
 20 ~~Article shall be null and void, invalidated, or deemed in~~
 21 ~~noncompliance with the Election Code because of a failure to~~
 22 ~~publish a notice with respect to the petition or referendum~~
 23 ~~as required under subsection (g) of Section 28-2 of that Code~~
 24 ~~for petitions that are not filed under this Article or~~
 25 ~~Article 7A, 11A, 11B, or 11D of the School Code.~~

26 (c) When a petition contains more than 10 signatures the
 27 petition shall designate a committee of 10 of the petitioners
 28 as attorney in fact for all petitioners, any 7 of whom may
 29 make binding stipulations on behalf of all petitioners as to
 30 any question with respect to the petition or hearing or joint
 31 hearing, and the regional board of school trustees, or
 32 regional boards of school trustees in cases of a joint
 33 hearing may accept such stipulation in lieu of evidence or
 34 proof of the matter stipulated. The committee of petitioners

1 shall have the same power to stipulate to accountings or
2 waiver thereof between school districts; however, the
3 regional board of school trustees, or regional boards of
4 school trustees in cases of a joint hearing may refuse to
5 accept such stipulation. Those designated as the committee of
6 10 shall serve in that capacity until such time as the
7 regional superintendent of schools or the committee of 10
8 determines that, because of death, resignation, transfer of
9 residency from the territory, or failure to qualify, the
10 office of a particular member of the committee of 10 is
11 vacant. Upon determination that a vacancy exists, the
12 remaining members shall appoint a petitioner to fill the
13 designated vacancy on the committee of 10. The appointment
14 of any new members by the committee of 10 shall be made by a
15 simple majority vote of the remaining designated members.

16 (d) The petition may be amended to withdraw not to
17 exceed a total of 10% of the territory in the petition at any
18 time prior to the hearing or joint hearing; provided that the
19 petition shall after amendment comply with the requirements
20 as to the number of signatures required on an original
21 petition.

22 (e) The petitioners shall pay the expenses of publishing
23 the notice and of any transcript taken at the hearing or
24 joint hearing; and in case of an appeal from the decision of
25 the regional board of school trustees, or regional boards of
26 school trustees in cases of a joint hearing, or State
27 Superintendent of Education in cases determined under
28 subsection (1) of this Section, the appellants shall pay the
29 cost of preparing the record for appeal.

30 (f) The notice shall state when the petition was filed,
31 the description of the territory, the prayer of the petition
32 and the return day on which the hearing or joint hearing upon
33 the petition will be held which shall not be more than 15 nor
34 less than 10 days after the publication of notice.

1 (g) On such return day or on a day to which the regional
2 board of school trustees, or regional boards of school
3 trustees in cases of a joint hearing shall continue the
4 hearing or joint hearing the regional board of school
5 trustees, or regional boards of school trustees in cases of a
6 joint hearing shall hear the petition but may adjourn the
7 hearing or joint hearing from time to time or may continue
8 the matter for want of sufficient notice or other good cause.

9 (h) Prior to the hearing or joint hearing the secretary
10 of the regional board of school trustees shall submit to the
11 regional board of school trustees, or regional boards of
12 school trustees in cases of a joint hearing maps showing the
13 districts involved, a written report of financial and
14 educational conditions of districts involved and the probable
15 effect of the proposed changes. The reports and maps
16 submitted shall be made a part of the record of the
17 proceedings of the regional board of school trustees, or
18 regional boards of school trustees in cases of a joint
19 hearing. A copy of the report and maps submitted shall be
20 sent by the secretary of the regional board of school
21 trustees to each board of the districts involved, not less
22 than 5 days prior to the day upon which the hearing or joint
23 hearing is to be held.

24 (i) The regional board of school trustees, or regional
25 boards of school trustees in cases of a joint hearing shall
26 hear evidence as to the school needs and conditions of the
27 territory in the area within and adjacent thereto and as to
28 the ability of the districts affected to meet the standards
29 of recognition as prescribed by the State Board of Education,
30 and shall take into consideration the division of funds and
31 assets which will result from the change of boundaries and
32 shall determine whether it is to the best interests of the
33 schools of the area and the educational welfare of the pupils
34 that such change in boundaries be granted, and in case

1 non-high school territory is contained in the petition the
2 normal high school attendance pattern of the children shall
3 be taken into consideration. If the non-high school territory
4 overlies an elementary district, a part of which is in a high
5 school district, such territory may be annexed to such high
6 school district even though not contiguous to the high school
7 district. However, upon resolution by the regional board of
8 school trustees, or regional boards of school trustees in
9 cases of a joint hearing the secretary or secretaries thereof
10 shall conduct the hearing or joint hearing upon any boundary
11 petition and present a transcript of such hearing to the
12 trustees who shall base their decision upon the transcript,
13 maps and information and any presentation of counsel.

14 (j) At the hearing or joint hearing any resident of the
15 territory described in the petition or any resident in any
16 district affected by the proposed change of boundaries may
17 appear in person or by an attorney in support of the petition
18 or to object to the granting of the petition and may present
19 evidence in support of his position.

20 (k) At the conclusion of the hearing, other than a joint
21 hearing, the regional superintendent of schools as ex officio
22 member of the regional board of school trustees shall within
23 30 days enter an order either granting or denying the
24 petition and shall deliver to the committee of petitioners,
25 if any, and any person who has filed his appearance in
26 writing at the hearing and any attorney who appears for any
27 person and any objector who testifies at the hearing and the
28 regional superintendent of schools a certified copy of its
29 order.

30 (l) Notwithstanding the foregoing provisions of this
31 Section, if within 9 months after a petition is submitted
32 under the provisions of Section 7-1 the petition is not
33 approved or denied by the regional board of school trustees
34 and the order approving or denying that petition entered and

1 a copy thereof served as provided in this Section, the school
2 boards or registered voters of the districts affected that
3 submitted the petition (or the committee of 10, or an
4 attorney acting on its behalf, if designated in the petition)
5 may submit a copy of the petition directly to the State
6 Superintendent of Education for approval or denial. The copy
7 of the petition as so submitted shall be accompanied by a
8 record of all proceedings had with respect to the petition up
9 to the time the copy of the petition is submitted to the
10 State Superintendent of Education (including a copy of any
11 notice given or published, any certificate or other proof of
12 publication, copies of any maps or written report of the
13 financial and educational conditions of the school districts
14 affected if furnished by the secretary of the regional board
15 of school trustees, copies of any amendments to the petition
16 and stipulations made, accepted or refused, a transcript of
17 any hearing or part of a hearing held, continued or adjourned
18 on the petition, and any orders entered with respect to the
19 petition or any hearing held thereon). The school boards,
20 registered voters or committee of 10 submitting the petition
21 and record of proceedings to the State Superintendent of
22 Education shall give written notice by certified mail, return
23 receipt requested to the regional board of school trustees
24 and to the secretary of that board that the petition has been
25 submitted to the State Superintendent of Education for
26 approval or denial, and shall furnish a copy of the notice so
27 given to the State Superintendent of Education. The cost of
28 assembling the record of proceedings for submission to the
29 State Superintendent of Education shall be the responsibility
30 of the school boards, registered voters or committee of 10
31 that submits the petition and record of proceedings to the
32 State Superintendent of Education. When a petition is
33 submitted to the State Superintendent of Education in
34 accordance with the provisions of this paragraph:

1 (1) The regional board of school trustees loses all
2 jurisdiction over the petition and shall have no further
3 authority to hear, approve, deny or otherwise act with
4 respect to the petition.

5 (2) All jurisdiction over the petition and the
6 right and duty to hear, approve, deny or otherwise act
7 with respect to the petition is transferred to and shall
8 be assumed and exercised by the State Superintendent of
9 Education.

10 (3) The State Superintendent of Education shall not
11 be required to repeat any proceedings that were conducted
12 in accordance with the provisions of this Section prior
13 to the time jurisdiction over the petition is transferred
14 to him, but the State Superintendent of Education shall
15 be required to give and publish any notices and hold or
16 complete any hearings that were not given, held or
17 completed by the regional board of school trustees or its
18 secretary as required by this Section prior to the time
19 jurisdiction over the petition is transferred to the
20 State Superintendent of Education.

21 (4) If so directed by the State Superintendent of
22 Education, the regional superintendent of schools shall
23 submit to the State Superintendent of Education and to
24 such school boards as the State Superintendent of
25 Education shall prescribe accurate maps and a written
26 report of the financial and educational conditions of the
27 districts affected and the probable effect of the
28 proposed boundary changes.

29 (5) The State Superintendent is authorized to
30 conduct further hearings, or appoint a hearing officer to
31 conduct further hearings, on the petition even though a
32 hearing thereon was held as provided in this Section
33 prior to the time jurisdiction over the petition is
34 transferred to the State Superintendent of Education.

1 (6) The State Superintendent of Education or the
2 hearing officer shall hear evidence and approve or deny
3 the petition and shall enter an order to that effect and
4 deliver and serve the same as required in other cases to
5 be done by the regional board of school trustees and the
6 regional superintendent of schools as an ex officio
7 member of that board.

8 (m) Within 10 days after the conclusion of a joint
9 hearing required under the provisions of Section 7-2, each
10 regional board of school trustees shall meet together and
11 render a decision with regard to the joint hearing on the
12 petition. If the regional boards of school trustees fail to
13 enter a joint order either granting or denying the petition,
14 the regional superintendent of schools for the educational
15 service region in which the joint hearing is held shall enter
16 an order denying the petition, and within 30 days after the
17 conclusion of the joint hearing shall deliver a copy of the
18 order denying the petition to the regional boards of school
19 trustees of each region affected, to the committee of
20 petitioners, if any, to any person who has filed his
21 appearance in writing at the hearing and to any attorney who
22 appears for any person at the joint hearing. If the regional
23 boards of school trustees enter a joint order either granting
24 or denying the petition, the regional superintendent of
25 schools for the educational service region in which the joint
26 hearing is held shall, within 30 days of the conclusion of
27 the hearing, deliver a copy of the joint order to those same
28 committees and persons as are entitled to receive copies of
29 the regional superintendent's order in cases where the
30 regional boards of school trustees have failed to enter a
31 joint order.

32 (n) Within 10 days after service of a copy of the order
33 granting or denying the petition, any person so served may
34 petition for a rehearing and, upon sufficient cause being

1 shown, a rehearing may be granted. The filing of a petition
 2 for rehearing shall operate as a stay of enforcement until
 3 the regional board of school trustees, or regional boards of
 4 school trustees in cases of a joint hearing, or State
 5 Superintendent of Education in cases determined under
 6 subsection (1) of this Section enter the final order on such
 7 petition for rehearing.

8 (o) (Blank). ~~If a petition filed under subsection (a) of~~
 9 ~~Section 7-1 or under Section 7-2 is required under the~~
 10 ~~provisions of subsection (b-5) of this Section 7-6 to request~~
 11 ~~submission of a proposition at a regular scheduled election~~
 12 ~~for the purpose of voting for or against the annexation of~~
 13 ~~the territory described in the petition to the school~~
 14 ~~district proposing to annex that territory, and if the~~
 15 ~~petition is granted or approved by the regional board or~~
 16 ~~regional boards of school trustees or by the State~~
 17 ~~Superintendent of Education, the proposition shall be placed~~
 18 ~~on the ballot at the next regular scheduled election.~~

19 (Source: P.A. 90-459, eff. 8-17-97.)

20 (105 ILCS 5/7-9) (from Ch. 122, par. 7-9)

21 Sec. 7-9. Effective date of change. In case a petition is
 22 filed for the creation of or the change of boundaries of or
 23 for an election to vote upon a proposition of creating or
 24 ~~annexing territory to~~ a school district after August 1, ~~as~~
 25 ~~provided in this Article~~, and the change is granted or the
 26 election carries, and no appeal is taken such change shall
 27 become effective after the time for appeal has run for the
 28 purpose of all elections; however, the change shall not
 29 affect the administration of the schools until July 1
 30 following the date the petition is granted or upon which the
 31 election is held and the school boards of the districts as
 32 they existed prior to the change shall exercise the same
 33 power and authority over such territory until such date;

1 however, new districts shall be permitted to organize and
2 elect officers within the time prescribed by the general
3 election law.

4 In the event that the granting of a petition has become
5 final, either through failure to seek Administrative Review
6 or by the final decision of a court on review, the change in
7 boundaries shall become effective forthwith. However, if the
8 granting of the petition becomes final between September 1
9 and June 30 of any year, the administration of and attendance
10 at the schools shall not be affected until the following July
11 1, when the change in boundaries shall become effective for
12 all purposes. After the granting of a petition has become
13 final, the date when the change shall become effective for
14 purposes of administration and attendance may be accelerated
15 or postponed by stipulation of each of the school boards of
16 each district affected and approved by the regional board of
17 school trustees or by the board of a special charter district
18 with which the original petition is required to be filed.

19 (Source: P.A. 90-459, eff. 8-17-97.)

20 (105 ILCS 5/11A-2) (from Ch. 122, par. 11A-2)

21 Sec. 11A-2. Organization of community unit districts;
22 territorial requirement. (1) Any contiguous and compact
23 territory of at least \$12,000,000 equalized assessed
24 valuation and having a population of not less than 4,000 and
25 not more than 500,000, no part of which is included within
26 any unit district, may be organized into a community unit
27 school district as provided in this Article; (2) the
28 territory of 2 or more entire unit school districts that are
29 contiguous to each other and the territory of which taken as
30 a whole is compact may be organized into a community unit
31 school district as provided in this Article; or (3) the
32 territory of one or more entire unit school districts that
33 are contiguous to each other plus any contiguous and compact

1 territory, no part of which is included within any unit
2 district, and the territory of which taken as a whole is
3 compact may be organized into a community unit school
4 district as provided in this Article; however, a petition or
5 petitions may be filed hereunder proposing to divide a unit
6 school district into 2 or more parts and proposing to include
7 all of such parts in 2 or more community unit districts. As
8 used in this Section, a unit school district includes, but is
9 not limited to, a special charter unit school district.

10 The territory of any high school district and fewer than
11 all of the elementary school districts included within the
12 high school district may be organized into a community unit
13 school district. Any such elementary school district not
14 participating in the reorganization shall remain an
15 elementary school district, and the territory of that
16 elementary school district shall be designated a non-high
17 school district pursuant to Article 12 of this Code.

18 The regional superintendent shall not accept for filing
19 hereunder any petition which includes therein any territory
20 already included as part of the territory described in
21 another petition filed hereunder. Hearings on a petition
22 filed hereunder shall not be commenced so long as any part of
23 the territory described therein shall include territory
24 described, whether by amendment or otherwise, in another
25 petition filed hereunder. A petition may be filed hereunder
26 which contains less than the required minimum equalized
27 assessed valuation or population requirements provided that
28 such a petition shall not be approved by the regional
29 superintendent and State Superintendent unless it is
30 determined: (1) that there is a compelling reason for
31 granting the petition; (2) that the territory involved cannot
32 currently be organized as part of a petition which meets the
33 minimum requirements; (3) that the granting of the petition
34 will not interfere with the ultimate reorganization of the

1 territory into a school district which meets the minimum
 2 requirements; (4) that the granting of the petition is in the
 3 best educational interests of the pupils affected; and (5)
 4 that the granting of the petition is financially beneficial
 5 to the affected school districts.

6 (Source: P.A. 88-555, eff. 7-27-94.)

7 (105 ILCS 5/11A-3) (from Ch. 122, par. 11A-3)

8 Sec. 11A-3. Petition filing; notice; hearing; decision.

9 A petition shall be filed with the Regional Superintendent of
 10 the region in which the territory described in the petition
 11 or that part of the territory with the greater per cent of
 12 equalized assessed valuation is situated, agreed to signed by
 13 the school boards of all of the affected school districts (by
 14 resolution of each school board) or signed by at least 30% of
 15 the registered voters in each affected school district at
 16 ~~least--200--voters--residing--in--at--least-3/4-of-the-school~~
 17 ~~districts-or-parts-of-districts-and-residing-in-the-territory~~
 18 ~~included-in-the-petition, or the petition may be filed by the~~
 19 ~~board-of-education-of-each-of-the-school-districts-wholly--or~~
 20 ~~partially---included---in--the--territory--described--in--the~~
 21 ~~petition.-A-petition-that--is--not--filed--by--the--board--of~~
 22 ~~education-of-each-of-the-school-districts-wholly-or-partially~~
 23 ~~included--in--the--territory--described--in-the-petition-must~~
 24 ~~contain-signatures-from-50-legal-resident-voters-from-each-of~~
 25 ~~the-school-districts-wholly--or--partially--included--in--the~~
 26 ~~territory--described-in-the-petition-or-from-10%-of-the-legal~~
 27 ~~resident-voters-from-each-of-the-school-districts--wholly--or~~
 28 ~~partially---included---in--the--territory--described--in--the~~
 29 ~~petition, whichever is lesser.~~ Provided, however, that no
 30 petition filed, or election held under this Article shall be
 31 null or void or invalidated or deemed in noncompliance with
 32 the Election Code for the failure of any person or persons
 33 seeking the creation of a new school district hereunder to

1 publish a notice of intention to file such petition or to
2 attach an affidavit attesting to the publication of such
3 notice to such petition as required under subsection (g) of
4 Section 28-2 of the Election Code for petitions that are not
5 filed under Article 7A, 11A, 11B, or 11D of the School Code.
6 The petition shall (1) request the submission of the
7 proposition at a regular scheduled election for the purpose
8 of voting for or against the establishment of a community
9 unit school district in the territory; (2) describe the
10 territory comprising the proposed district; (3) set forth the
11 maximum tax rates for educational, operations and maintenance
12 and the purchase and improvements of school grounds, pupil
13 transportation, and fire prevention and safety purposes the
14 proposed district shall be authorized to levy; and (4)
15 designate a committee of 10 of the petitioners, any 7 of whom
16 may at any time, prior to the final decision of the Regional
17 Superintendent, amend the petition in all respects (except
18 that there may not be an increase or decrease of more than
19 25% of the territory to be included in the proposed
20 district), and may make binding stipulations on behalf of all
21 petitioners as to any question with respect to the petition
22 or hearing and the Regional Superintendent may accept such
23 stipulation instead of evidence or proof of the matter
24 stipulated, which committee of petitioners may stipulate to
25 accountings or waiver thereof between school districts;
26 however, the Regional Superintendent may refuse to accept
27 such stipulation; those designated as the Committee of Ten
28 shall serve in such capacity until such time as the Regional
29 Superintendent should determine that, because of death,
30 resignation, transfer of residency from the territory,
31 failure to qualify or for any other reason, the office of a
32 particular member of the Committee is vacant. Failure of a
33 person designated as a member of the Committee of Ten to sign
34 the petition, whether filed prior or subsequent to September

1 23, 1983 (the effective date of P.A. 83-686), shall not
2 disqualify such person as a member thereof and such person
3 may sign the petition at any time prior to final disposition
4 of the petition and the conclusion of the proceedings to form
5 a unit district, including all litigation pertaining to the
6 petition or proceedings. Upon determination by the Regional
7 Superintendent that such vacancies exist, he shall so declare
8 such vacancies and shall notify the remaining members to
9 appoint a petitioner or petitioners, as the case may be, to
10 fill the vacancies in the Committee of Ten so designated.
11 Such appointment by the Committee of Ten of any such new
12 membership shall be made by a simple majority vote of the
13 designated remaining members. The Committee of Ten shall
14 act, unless otherwise herein specified, by majority vote of
15 the membership. The Committee of Ten may voluntarily dismiss
16 their petition at any time before the final decision of the
17 Regional Superintendent.

18 The petition may request that the referendum at which the
19 proposition is submitted for the purpose of voting for or
20 against the establishment of a community unit school district
21 include as part of the proposition the election of board
22 members by school board district rather than at large. Any
23 petition requesting the election of board members by district
24 shall divide the proposed school district into 7 school board
25 districts, each of which must be compact and contiguous and
26 substantially equal in population to each other school board
27 district. Any election of board members by school board
28 district shall proceed under the supervision of the Regional
29 Superintendent as provided in Section 11A-8. The Committee of
30 Ten may amend any petition approved by the Regional
31 Superintendent and State Superintendent of Education prior to
32 July 29, 1988 to include as part of the proposition the
33 election of board members by district as provided above. The
34 Regional Superintendent shall, following approval by the

1 State Superintendent of Education, submit the proposition as
2 provided in the amended petition to the appropriate election
3 authorities.

4 The petition may request that if the proposition to
5 create a community unit school district is submitted to the
6 voters at the consolidated election which occurs in April of
7 odd-numbered years, at the general primary election which
8 occurs in March of even-numbered years, at the nonpartisan
9 election which occurs in November of odd-numbered years, or
10 at the general election which occurs in November of
11 even-numbered years, that at that same election a board of
12 education be elected on a separate ballot to serve as the
13 board of education of the proposed new district. Any
14 election of board members at the same election at which the
15 proposition to create the district to be served by that board
16 is submitted to the voters shall proceed under the
17 supervision of the Regional Superintendent as provided in
18 Section 11A-8.

19 The petition may also request that the referendum at
20 which the proposition shall be submitted for the purpose of
21 voting for or against the establishment of a community unit
22 school district in the territory include a proposition on a
23 separate ballot authorizing the issuance of bonds by the
24 district when organized, in accordance with this Act. The
25 principal amount of the bonds and the purposes of issuance
26 shall be stated in such petition and in all notices and
27 propositions submitted thereunder.

28 A petition to form a new community unit school district
29 from the entire territory of 2 or more school districts may
30 also request that the bonded indebtedness of each existing
31 school district be assumed by the entire territory of the new
32 community unit school district in the manner provided by
33 subsection (b) of Section 11A-12.

34 Upon the filing of a petition with the Regional

1 Superintendent of the Region in which the greater portion of
2 the equalized assessed valuation of the territory described
3 in the petition lies, the Regional Superintendent shall cause
4 a copy of such petition to be given to each board of any
5 district involved in the proposed formation of the new
6 district and shall cause a notice thereof to be published at
7 least once each week for 3 successive weeks in at least one
8 newspaper having general circulation within the area of the
9 territory of the proposed district. The notice shall state
10 when and to whom the petition was presented, the description
11 of the territory of the proposed district, if requested in
12 the petition a statement of the proposition to issue bonds
13 and indicating the amount and purpose thereof, and the day on
14 which the hearing upon the petition will be held. Not more
15 than 30 days after the publication of notice the Regional
16 Superintendent shall hold a hearing on the petition.

17 Upon the Regional Superintendent determining that the
18 petition, as filed or amended, is proper and is in compliance
19 with any applicable petition requirements set forth in the
20 Election Code, he shall hear evidence as to the school needs
21 and conditions of the territory and in the area within and
22 adjacent thereto and take into consideration the division of
23 funds and assets which will result from the organization of
24 the district, and shall determine whether it is for the best
25 interests of the schools of the area and the educational
26 welfare of the pupils therein that such district be
27 organized.

28 At the hearing, any resident in the proposed district or
29 any district affected thereby may appear in support of the
30 petition or to object thereto. The Regional Superintendent
31 may adjourn the hearing from time to time. Within 14 days
32 after the conclusion of the hearing the Regional
33 Superintendent shall make a decision either approving or
34 denying the petition. Upon the Regional Superintendent

1 approving or denying the petition he shall submit the
2 petition and all evidence submitted to the State
3 Superintendent of Education who shall, within 30 days after
4 the decision of the Regional Superintendent, approve or deny
5 the petition according to the following criteria:

6 He shall review the entire record of the proceedings had
7 before the Regional Superintendent, including the transcript
8 of said proceedings, and based upon a review of the same
9 shall take into consideration:

10 (1) whether the proposed district will have
11 sufficient size (pupil enrollment) and financial
12 resources (assessed valuation) to provide and maintain a
13 recognized educational program for grades kindergarten
14 through 12;

15 (2) whether the proposed school district is for the
16 best interests of the schools of the area and the
17 educational welfare of the pupils therein; and

18 (3) whether the territory for the proposed school
19 district is compact and contiguous for school purposes.

20 If the State Superintendent of Education denies the
21 petition the reasons for such denial shall be communicated to
22 appropriate groups, agencies or instrumentalities
23 representing the petitioners.

24 If a majority of the voters in at least 2 community unit
25 school districts have voted in favor of a proposition to
26 create a new community unit school district, but the
27 proposition was not approved under the standards set forth in
28 Section 11A-8 of the School Code, then the members of the
29 Committee of Ten shall submit an amended petition for
30 consolidation to the boards of education of those districts
31 as long as the territory involved is compact and contiguous.
32 The petition submitted to the boards of education shall be
33 identical in form and substance to the petition previously
34 approved by the Regional Superintendent of Schools with the

1 sole exception that the territory comprising the proposed
2 district shall be amended to include the compact and
3 contiguous territory of those community unit school districts
4 in which a majority of the voters voted in favor of the
5 proposal.

6 Each board of education to which the petition is
7 submitted shall meet and vote to approve or not approve the
8 amended petition no more than 30 days after it has been filed
9 with the board. The Regional Superintendent shall make
10 available to each board of education with which a petition
11 has been filed all transcripts and records of the previous
12 petition hearing. The boards of education shall, by the
13 appropriate resolution, approve or disapprove the amended
14 petition. No board of education may approve an amended
15 petition unless it first finds that the territory described
16 in the petition is compact and contiguous.

17 If a majority of the members of each board of education
18 to whom a petition is submitted votes in favor of the amended
19 petition, the approved petition shall be transmitted by the
20 secretary of each board of education to the State
21 Superintendent of Education who shall, within 30 days of
22 receipt, approve or deny the amended petition based on the
23 criteria stated in this Section which governed the State
24 Superintendent of Education in his initial review of the
25 petition. If approved by the State Superintendent of
26 Education, the petition shall be placed on the ballot at the
27 next regularly scheduled election.

28 (Source: P.A. 87-10; 87-185; 87-839; 87-1270; 88-555, eff.
29 7-27-94.)

30 (105 ILCS 5/11A-8) (from Ch. 122, par. 11A-8)
31 Sec. 11A-8. Passage requirements.

32 (a) Except as otherwise provided by Section 11A-7, the
33 proposition to create a community unit school district shall

1 be submitted only to the voters of the territory which
2 comprises the proposed community unit school district, and if
3 a majority of the voters in each of the affected school
4 districts voting at such election vote in favor of the
5 establishment of such community unit school district, the
6 proposition shall be deemed to have passed. If a majority of
7 the electors voting at the election vote in favor of the
8 establishment of a community unit school district, the
9 proposition shall be deemed to have passed. Unless the board
10 of education of a new community unit school district is
11 elected at the same election at which the proposition
12 establishing that district is deemed to have passed, the
13 regional superintendent of schools shall order an election to
14 be held on the next regularly scheduled election date for the
15 purpose of electing a board of education for that district.
16 In either event, the board of education elected for a new
17 community unit school district created under this Article
18 shall consist of 7 members who shall have the terms and the
19 powers and duties of school boards as defined in Article 10
20 of this Act. Nomination papers filed under this Section are
21 not valid unless the candidate named therein files with the
22 regional superintendent a receipt from the county clerk
23 showing that the candidate has filed a statement of economic
24 interests as required by the Illinois Governmental Ethics
25 Act. Such statement shall be so filed either previously
26 during the calendar year in which his nomination papers were
27 filed or within the period for the filing of nomination
28 papers in accordance with the general election law. The
29 regional superintendent shall perform the election duties
30 assigned by law to the secretary of a school board for such
31 election, and shall certify the officers and candidates
32 therefor pursuant to the general election law.

33 (b) Except as otherwise provided in subsection (c), for
34 school districts formed before January 1, 1975, if the

1 territory of such district is greater than 2 congressional
2 townships or 72 square miles, then not more than 3 board
3 members may be selected from any one congressional township,
4 but congressional townships of less than 100 inhabitants
5 shall not be considered for the purpose of such mandatory
6 board representation, and in any such community unit district
7 where at least 75% but not more than 90% of the population is
8 in one congressional township 4 board members shall be
9 selected therefrom and 3 board members shall be selected from
10 the rest of the district, but in any such community unit
11 district where more than 90% of the population is in one
12 congressional township all board members may be selected from
13 one or more congressional townships; and whenever the
14 territory of any community unit district shall consist of not
15 more than 2 congressional townships or 72 square miles, but
16 shall consist of more than one congressional township, or 36
17 square miles, outside of the corporate limits of any city,
18 village or incorporated town within the school district, not
19 more than 5 board members shall be selected from any city,
20 village or incorporated town in such school district.

21 (c) The provisions of subsection (b) for mandatory board
22 representation shall no longer apply to a community unit
23 school district formed prior to January 1, 1975, and the
24 members of the board of education shall be elected at large
25 from within that school district and without restriction by
26 area of residence within the district if both of the
27 following conditions are met with respect to that district:

28 (1) A proposition for the election of board members
29 at large and without restriction by area of residence
30 within the district rather than in accordance with the
31 provisions of subsection (b) for mandatory board
32 representation is submitted to the school district's
33 voters at a regular school election or at the general
34 election as provided in this subsection (c).

1 (2) A majority of those voting at the election in
2 each congressional township comprising the territory of
3 the school district, including any congressional township
4 of less than 100 inhabitants, vote in favor of the
5 proposition.

6 The board of education of the school district may by
7 resolution order submitted or, upon the petition of the
8 lesser of 2,500 or 5% of the school district's registered
9 voters, shall order submitted to the school district's voters
10 at a regular school election or at the general election the
11 proposition for the election of board members at large and
12 without restriction by area of residence within the district
13 rather than in accordance with the provisions of subsection
14 (b) for mandatory board representation; and the proposition
15 shall thereupon be certified by the board's secretary for
16 submission. If a majority of those voting at the election in
17 each congressional township comprising the territory of the
18 school district, including any congressional township of less
19 than 100 inhabitants, vote in favor of the proposition: (i)
20 the proposition to elect board members at large and without
21 restriction by area of residence within the district shall be
22 deemed to have passed, (ii) new members of the board shall be
23 elected at large and without restriction by area of residence
24 within the district at the next regular school election, and
25 (iii) the terms of office of the board members incumbent at
26 the time the proposition is adopted shall expire when the new
27 board members that are elected at large and without
28 restriction by area of residence within the district have
29 organized in accordance with Section 10-16. In a community
30 unit school district that formerly elected its members under
31 subsection (b) to successive terms not exceeding 4 years, the
32 members elected at large and without restriction by area of
33 residence within the district shall be elected for a term of
34 4 years, and in a community unit school district that

1 formerly elected its members under subsection (b) to
2 successive terms not exceeding 6 years, the members elected
3 at large and without restriction by area of residence within
4 the district shall be elected for a term of 6 years;
5 provided, that in each case the terms of the board members
6 initially elected at large and without restriction by area of
7 residence within the district as provided in this subsection
8 shall be staggered and determined in accordance with the
9 provisions of Sections 10-10 and 10-16.

10 (Source: P.A. 89-129, eff. 7-14-95.)

11 (105 ILCS 5/11B-2) (from Ch. 122, par. 11B-2)

12 Sec. 11B-2. Combining entire districts. Any contiguous
13 territory having an equalized assessed valuation of at least
14 \$5,000,000 and having a population of not less than 1,500 and
15 not more than 500,000 may be formed into a combined school
16 district when the State Superintendent of Education approves
17 a petition which is filed by the boards of each district
18 affected or by 30% ~~10%~~ of the legal voters residing in each
19 district affected, and when such petition is approved at an
20 election called for the purpose of approving or denying said
21 petition. The petition shall be filed with the Regional
22 Superintendent of the region in which the greater portion of
23 the equalized assessed valuation of the territory described
24 in the petition is situated.

25 (Source: P.A. 83-1311.)

26 (105 ILCS 5/18-8.2) (from Ch. 122, par. 18-8.2)

27 Sec. 18-8.2. Supplementary State aid for new and for
28 certain annexing districts.

29 (a) After the formation of a new district, a computation
30 shall be made to determine the difference between the
31 salaries and district-paid fringe benefits effective in each
32 of the previously existing districts on June 30, prior to the

1 creation of the new district. For the first 4 years after
2 the formation of the new district or if the new district was
3 formed after October 31, 1982 and prior to the effective date
4 of this amendatory Act of 1985, for the 3 years immediately
5 following such effective date, a supplementary State aid
6 reimbursement shall be paid to the new district equal to the
7 difference between the sum of the salaries and district-paid
8 fringe benefits earned by each of the certificated members
9 and full-time, educational-support personnel of the new
10 district while employed in one of the previously existing
11 districts during the year immediately preceding the formation
12 of the new district and the sum of the salaries and
13 district-paid fringe benefits those certificated members and
14 full-time, educational-support personnel would have been paid
15 during the year immediately prior to the formation of the new
16 district if placed on the salary schedule of the previously
17 existing district with the highest salary schedule. For the
18 5th, 6th, 7th, and 8th years after the formation of the new
19 district, the supplementary State aid reimbursement shall be
20 80%, 60%, 40%, and 20%, respectively, of the payment received
21 during the first 4 years.

22 (b) After the territory of one or more school districts
23 is annexed by one or more other school districts, or after
24 the division (pursuant to petition under Section 11A-2) of a
25 unit school district or districts into 2 or more parts which
26 all are included in 2 or more other community unit districts
27 resulting upon that division, a computation shall be made to
28 determine the difference between the salaries and
29 district-paid fringe benefits effective in each such annexed
30 or divided district and in the annexing or resulting district
31 or districts as they each were constituted on June 30
32 preceding the date when the change of boundaries attributable
33 to such annexation or division became effective for all
34 purposes as determined under Section 7-9, 7A-8 or 11A-10.

1 For the first 4 years after any such annexation or division,
2 a supplementary State aid reimbursement shall be paid to each
3 annexing or resulting district as constituted after the
4 annexation or division equal to the difference between the
5 sum of the salaries and district-paid fringe benefits earned
6 by each of the certificated members and full-time,
7 educational-support personnel of such annexing or resulting
8 district as constituted after the annexation or division
9 while employed in an annexed or annexing district, or in a
10 divided or resulting district, during the year immediately
11 preceding the annexation or division, and the sum of the
12 salaries and district-paid fringe benefits those certificated
13 members and full-time, educational-support personnel would
14 have been paid during such immediately preceding year if
15 placed on the salary schedule of whichever of such annexing
16 or annexed districts, or resulting or divided districts, had
17 the highest salary schedule during such immediately preceding
18 year. For the 5th, 6th, 7th, and 8th years after the
19 formation of the new district, the supplementary State aid
20 reimbursement shall be 80%, 60%, 40%, and 20%, respectively,
21 of the payment received during the first 4 years.

22 (c) Such supplementary State aid reimbursement shall be
23 treated as separate from all other payments made pursuant to
24 Section 18-8 or 18-8.05. In the case of the formation of a
25 new district, reimbursement shall begin during the first year
26 of operation of the new district; and in the case of an
27 annexation of the territory of one or more school districts
28 by one or more other school districts, or the division
29 (pursuant to petition under Section 11A-2) of a unit school
30 district or districts into 2 or more parts which all are
31 included in 2 or more other community unit districts
32 resulting upon that division, reimbursement shall begin
33 during the first year when the change in boundaries
34 attributable to such annexation or division becomes effective

1 for all purposes as determined pursuant to Section 7-9, 7A-8
2 or 11A-10. Each year any such new, annexing or resulting
3 district, as the case may be, is entitled to receive
4 reimbursement, the number of eligible certified members who
5 are employed on October 1 in any such district shall be
6 certified to the State Board of Education on prescribed forms
7 by October 15 and payment shall be made on or before November
8 15 of that year.

9 (d) If a unit school district annexes all the territory
10 of another unit school district effective for all purposes
11 pursuant to Section 7-9 on July 1, 1988, and if part of the
12 annexed territory is detached within 90 days after July 1,
13 1988, then the detachment shall be disregarded in computing
14 the supplementary State aid reimbursements under this Section
15 for the entire 3 year period and the supplementary State aid
16 reimbursements shall not be diminished because of the
17 detachment.

18 (e) The changes made by this amendatory Act of 1989 are
19 intended to be retroactive and applicable to any annexation
20 taking effect after August 1, 1987. The changes made to this
21 Section by this amendatory Act of the 93rd General Assembly
22 are intended to be retroactive and applicable to any
23 annexation taking effect on or after July 1, 2002.

24 (Source: P.A. 90-548, eff. 1-1-98.)

25 (105 ILCS 5/18-8.3) (from Ch. 122, par. 18-8.3)

26 Sec. 18-8.3. Supplementary State aid for new and for
27 certain annexing districts.

28 (a) For the first year after the formation of a new
29 school district formed by combining property included totally
30 within 2 or more previously existing school districts, or if
31 the new district was formed after October 31, 1982 and prior
32 to the effective date of this amendatory Act of 1985 or if
33 the new district was formed after June 30, 1983 and prior to

1 the effective date of this amendatory Act of 1987, for the
2 first year immediately following either such effective date,
3 a computation shall be made totaling each previously existing
4 district's final audited fund balances in the educational
5 fund, working cash fund, operations and maintenance fund, and
6 transportation fund ~~for the year ending June 30 prior to the~~
7 ~~referendum for the creation of the new district.~~ The new
8 district shall be paid supplementary State aid equal to the
9 sum of the differences between the deficit of the previously
10 existing district with the smallest such deficit and the
11 deficits of each of the other previously existing districts.

12 (b) For the first year after the annexation of all of
13 the territory of one or more entire school districts by
14 another school district (including the annexation by a high
15 school district pursuant to Article 7A of all territory of a
16 unit school district dissolved pursuant to that Article), or
17 if the annexation took effect after January 1, 1986 and prior
18 to the effective date of this amendatory Act of 1987, for the
19 first year immediately following the effective date of this
20 amendatory Act, computations shall be made, for the year
21 ending June 30 prior to the date that the change of
22 boundaries attributable to such annexation is allowed by the
23 affirmative decision issued by the regional board of school
24 trustees under Section 7-6, notwithstanding any effort to
25 seek administrative review of such decision, totaling the
26 annexing district's and totaling each annexed district's
27 audited fund balances in their respective educational,
28 working cash, operations and maintenance, and transportation
29 funds. The annexing district as constituted after the
30 annexation shall be paid supplementary State aid equal to the
31 sum of the differences between the deficit of whichever of
32 the annexing or annexed districts as constituted prior to the
33 annexation had the smallest deficit and the deficits of each
34 of such other districts as constituted prior to such

1 annexation.

2 (c) For the first year after the annexation of all of
3 the territory of one or more entire school districts by 2 or
4 more other school districts, and for the first year after the
5 division (pursuant to petition under Section 11A-2) of a unit
6 school district or districts into 2 or more parts which all
7 are included in 2 or more other community unit districts
8 resulting upon that division, computations shall be made (for
9 the year ending June 30 prior to the date that the change of
10 boundaries attributable to such annexation or division is
11 allowed by the affirmative decision of the regional board of
12 school trustees under Section 7-6 or by the State
13 Superintendent of Education under Section 11A-3,
14 notwithstanding any action for administrative review of such
15 decision) totaling each annexing and annexed district's, or
16 each resulting and divided district's audited fund balances
17 in their respective educational, working cash, operations and
18 maintenance, and transportation funds. The annexing or
19 resulting districts as constituted after the annexation or
20 division shall be paid supplementary State aid, allocated as
21 hereinafter provided, in an aggregate amount equal to the sum
22 of the differences between the deficit of whichever of the
23 annexing or annexed districts, or resulting or divided
24 districts, as constituted prior to the annexation or
25 division, had the smallest deficit and the deficits of each
26 of such other districts as constituted prior to such
27 annexation or division. The aggregate amount of the
28 supplementary State aid payable under this subsection shall
29 be allocated between or among the annexing or resulting
30 districts as follows: (i) the regional superintendent of
31 schools for each educational service region in which an
32 annexed or divided school district is located prior to the
33 annexation or division shall certify to the State Board of
34 Education, on forms which it shall provide for that purpose,

1 the value of all taxable property in each such annexed or
2 divided school district as last equalized or assessed by the
3 Department of Revenue prior to the annexation or division,
4 and the equalized assessed value of each part of the annexed
5 or divided district that was annexed to or included as a part
6 of an annexing or resulting district; (ii) using equalized
7 assessed values as certified by the regional superintendent
8 of schools under clause (i) of this subsection, the combined
9 audited fund balance deficit of each annexed or divided
10 district as determined under this Section shall be
11 apportioned between or among the annexing or resulting
12 districts in the same ratio as the equalized assessed value
13 of that part of such annexed or divided district which was
14 annexed to or included as a part of an annexing or resulting
15 district bears to the total equalized assessed value of such
16 annexed or divided district; and (iii) the aggregate
17 supplementary State aid payment under this subsection shall
18 be allocated between or among, and shall be paid to, the
19 annexing and resulting districts in the same ratio as the sum
20 of the combined audited fund balance deficit of each such
21 annexing or resulting district as constituted prior to the
22 annexation or division plus all combined audited fund balance
23 deficit amounts apportioned to that annexing or resulting
24 district under clause (ii) of this subsection bears to the
25 aggregate of the combined audited fund balance deficits of
26 all of the annexing and annexed districts, or resulting and
27 divided districts, as constituted prior to the annexation or
28 division.

29 (d) For purposes of any calculation required under
30 subsection (a), (b) or (c), a district with a combined fund
31 balance that is positive will be considered to have a deficit
32 of zero. For purposes of determining each district's audited
33 fund balances in its educational fund, working cash fund,
34 operations and maintenance fund and transportation fund for

1 the specified year ending June 30 as provided in subsections
2 (a), (b) and (c), the balance of each such fund shall be
3 deemed decreased by an amount equal to the amount of the
4 annual property tax theretofore levied in such fund by the
5 district for collection and payment to the district during
6 the calendar year in which such June 30 fell, but only to the
7 extent that the tax so levied in such fund actually was
8 received by the district on or before, or comprised a part of
9 such fund on such June 30. For purposes of determining each
10 district's audited fund balances, a calculation shall be made
11 for each fund to determine the average for the 3 years prior
12 to the specified year ending June 30 as provided in
13 subsections (a), (b), and (c) of the district's expenditures
14 in the categories "purchased services", "supplies and
15 materials", and "capital outlay", as those categories are
16 defined in rules of the State Board of Education. If this
17 three-year average is less than the district's expenditures
18 in these categories for the specified year ending June 30 as
19 provided in subsections (a), (b), and (c), then the
20 three-year average shall be used in calculating the amounts
21 payable under this Section in place of the amounts shown in
22 these categories for the specified year ending June 30 as
23 provided in subsections (a), (b), and (c). For purposes of
24 subsection (a), the changes made to this subsection (d) by
25 this amendatory Act of 1987 shall apply to the formation of a
26 new district by combining property included totally within 2
27 or more previously existing districts whenever the new
28 district was so formed after June 30, 1983 and prior to this
29 amendatory Act of 1987 and whenever the new district is so
30 formed after such effective date. For purposes of subsection
31 (b), the changes made to this subsection (d) by this
32 amendatory Act of 1987 shall apply to the annexation of all
33 of the territory of one or more entire school districts by
34 another school district whenever the annexation took effect

1 after January 1, 1986 and prior to the effective date of this
2 amendatory Act of 1987 and whenever the annexation -
3 including an annexation by a high school district pursuant to
4 Article 7A of all territory of a unit school district
5 dissolved pursuant to that Article - takes effect after such
6 effective date. Any deficit because of State aid not yet
7 received shall not be considered in determining such June 30
8 deficits. The same basis of accounting shall be used by all
9 previously existing districts and by all annexing or annexed
10 districts, or resulting or divided districts, as constituted
11 prior to the annexation or division in making any computation
12 required under subsection (a), (b) or (c).

13 (e) Such supplementary State aid payments shall be
14 treated as separate from all other payments made pursuant to
15 Section 18-8.

16 (f) The amendments to this Section made by Public Act
17 83-1417 shall not apply if the petition for a referendum for
18 the creation of the new school district was filed with the
19 regional superintendent of schools or the regional board of
20 school trustees after January 5, 1984, and prior to June 30,
21 1984.

22 (g) If a unit school district annexes all the territory
23 of another unit school district effective for all purposes
24 pursuant to Section 7-9 on July 1, 1988, and if part of the
25 annexed territory is detached within 90 days after July 1,
26 1988, then the detachment shall be disregarded in computing
27 the supplementary State aid payments under this Section and
28 the supplementary State aid payments shall not be diminished
29 because of the detachment.

30 (h) The changes made to this Section by this amendatory
31 Act of the 93rd General Assembly are intended to be
32 retroactive and applicable to any reorganization taking
33 effect on or after July 1, 2002.

34 (Source: P.A. 88-555, eff. 7-27-94.)

1 (105 ILCS 5/18-8.5) (from Ch. 122, par. 18-8.5)
 2 Sec. 18-8.5. Supplementary State aid for new, annexing or
 3 resulting districts.

4 (a) Following the formation of a new school district
 5 pursuant to Article 11A or 11B, or of a new elementary school
 6 district pursuant to Article 7A, or the annexation of all of
 7 the territory of one or more entire school districts by one
 8 or more other school districts, or the division pursuant to
 9 petition under Section 11A-2 of a unit school district or
 10 districts into 2 or more parts which all are included in 2 or
 11 more other community unit districts resulting upon that
 12 division, a supplementary State aid reimbursement shall be
 13 paid for 4 years the-number-of-school-years-determined-under
 14 the-following--table to each new, annexing or resulting
 15 district equal to the sum of \$4,000 for each certified
 16 employee and \$2,000 for each classified employee who is
 17 employed by such district on a full-time basis for the
 18 regular term of any such school year. Each year these amounts
 19 shall be increased by the annual percentage increase if any
 20 in the Consumer Price Index for All Urban Consumers for all
 21 items published by the United States Department of Labor.†

22	Reorganized-District's-Rank	Reorganized-District's-Rank		
23	by-type-of-district-(unit,	in-Average-Daily-Attendance		
24	high-school,-elementary)	By-Quintile		
25	in-Equalized-Assessed-Value			
26	Per-Pupil-by-Quintile			
27				3rd,-4th
28		1st	2nd	or-5th
29		Quintile	Quintile	Quintile
30	1st-Quintile	1-year	1-year	1-year
31	2nd-Quintile	1-year	2-years	2-years
32	3rd-Quintile	2-years	3-years	3-years
33	4th-Quintile	2-years	3-years	3-years
34	5th-Quintile	2-years	3-years	3-years

1 The--State--Board--of--Education--shall---make---a---one-time
2 calculation--of-a-reorganized-district's-quintile-ranks.--The
3 average-daily-attendance-used-in-this--calculation--shall--be
4 the---best---3--months'-average--daily--attendance--for--the
5 district's-first-year.--The--equalized--assessed--value--per
6 pupil---shall--be--the--district's--real--property--equalized
7 assessed-value-used-in-calculating-the-district's--first-year
8 general-State-aid-claim-divided-by-the-best-3-months'-average
9 daily-attendance.

10 No annexing or resulting school district shall be
11 entitled to supplementary State aid under this Section unless
12 such district acquires at least 30% of the average daily
13 attendance of the district from which the territory is being
14 detached or divided.

15 If a district results from multiple reorganizations that
16 would otherwise qualify the district for multiple payments
17 under this Section in any year, the district shall receive a
18 single payment only for that year based solely on the most
19 recent reorganization. A district may not receive a
20 supplementary State aid grant under this Section while
21 receiving a similar grant from a prior reorganization.

22 (b) The supplementary State aid reimbursement payable
23 under this Section shall be separate from and in addition to
24 all other payments made to the district pursuant to any other
25 Section of this Article.

26 (c) During May of each school year for which a
27 supplementary State aid reimbursement is to be paid to a new,
28 annexing or resulting school district pursuant to this
29 Section, the school board shall certify to the State Board of
30 Education, on forms furnished to the school board by the
31 State Board of Education for purposes of this Section, the
32 number of certified employees for which the district is
33 entitled to reimbursement under this Section, together with
34 the names, certificate numbers and positions held by such

1 certified employees.

2 (d) Upon certification by the State Board of Education
3 to the State Comptroller of the amount of the supplementary
4 State aid reimbursement to which a school district is
5 entitled by this Section, the State Comptroller shall draw
6 his warrant upon the State Treasurer for the payment thereof
7 to the school district and shall promptly transmit the
8 payment to the school district through the appropriate school
9 treasurer.

10 (e) The changes to this Section made by P.A. 88-555
11 shall apply to all reorganizations for which the petitions
12 are filed with the regional board of school trustees or the
13 regional superintendent, as the case may be, on or after
14 January 1, 1995.

15 (f) The changes made to this Section by this amendatory
16 Act of the 93rd General Assembly are intended to be
17 retroactive and applicable to any reorganization taking
18 effect on or after July 1, 2002.

19 (Source: P.A. 87-10; 87-435; 87-1210; 88-555, eff. 7-27-94;
20 88-686, eff. 1-24-95.)

21 (105 ILCS 5/18-8.6a new)

22 Sec. 18-8.6a. Educational facilities for newly organized
23 school districts; funds for construction.

24 (a) After the formation of a new school district
25 maintaining grades kindergarten through 12, formed by
26 combining property included completely within 2 or more
27 previously existing school districts, if the newly formed
28 district can show need for a new facility or addition to an
29 existing facility, construction funding shall be provided by
30 the State at no cost to the district, under guidelines
31 established by the Capital Development Board, if all of the
32 following requirements are met:

33 (1) The regional superintendent of schools has

1 verified the need for the construction and has made a
2 favorable recommendation to the State Superintendent of
3 Education.

4 (2) The regional superintendent's recommendation
5 has been evaluated and approved by the State Board of
6 Education and Capital Development Board.

7 (b) Funds for construction under this Section shall be
8 provided through a separate appropriation.

9 (c) This Section applies to a school district organized
10 on or after July 1, 2002.

11 (105 ILCS 5/18-8.6b new)

12 Sec. 18-8.6b. Implementation grants for newly organized
13 school districts.

14 (a) After the formation of a new school district formed
15 by combining property included completely within 2 or more
16 previously existing school districts, a one-time grant shall
17 be made to the newly formed district to assist with
18 implementation of the newly formed district and shall be used
19 for purposes that may include without limitation curriculum
20 articulation, handbook revisions, extra-curricular
21 activities, staff development, school board training,
22 alignment of State standards, mentoring, school structure,
23 and assessments.

24 (b) The grant amount shall be determined by the State
25 Board of Education and shall be the lesser of (i) \$50,000 or
26 (ii) an amount determined by multiplying the number of
27 students in the newly formed school district by \$10, added to
28 an amount determined by multiplying the number of teachers in
29 the newly formed district by \$25, added to an amount
30 determined by multiplying the number of square miles in the
31 newly formed district by \$50.

32 (c) Funds for grants under this Section shall be
33 provided through a separate appropriation.

1 (d) This Section applies to a school district organized
2 on or after July 1, 2002.

3 (105 ILCS 5/7-7.5 rep.)

4 (105 ILCS 5/7-7.6 rep.)

5 (105 ILCS 5/7-7.7 rep.)

6 Section 10-15. The School Code is amended by repealing
7 Sections 7-7.5, 7-7.6, and 7-7.7.

8 Section 10-20. The School Construction Law is amended by
9 changing Section 5-30 as follows:

10 (105 ILCS 230/5-30)

11 Sec. 5-30. Priority of school construction projects. The
12 State Board of Education shall develop standards for the
13 determination of priority needs concerning school
14 construction projects based upon approved district facilities
15 plans. Such standards shall call for prioritization based on
16 the degree of need and project type in the following order:

17 (1) Replacement or reconstruction of school buildings
18 destroyed or damaged by flood, tornado, fire, earthquake, or
19 other disasters, either man-made or produced by nature;

20 (2) Projects designed to alleviate a shortage of
21 classrooms due to population growth or to replace aging
22 school buildings;

23 ~~(3) Projects resulting from interdistrict reorganization~~
24 ~~of school districts contingent on local referenda;~~

25 (3) ~~(4)~~ Replacement or reconstruction of school
26 facilities determined to be severe and continuing health or
27 life safety hazards;

28 (4) ~~(5)~~ Alterations necessary to provide accessibility
29 for qualified individuals with disabilities; and

30 (5) ~~(6)~~ Other unique solutions to facility needs.

31 (Source: P.A. 90-548, eff. 1-1-98.)

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ARTICLE 15

Section 15-5. The State Finance Act is amended by adding Sections 5.595 and 6z-59 as follows:

(30 ILCS 105/5.595 new)

Sec. 5.595. The School District Property Tax Relief Fund.

(30 ILCS 105/6z-59 new)

Sec. 6z-59. School District Property Tax Relief Fund.

The School District Property Tax Relief Fund is created as a special fund in the State treasury. All interest earned on moneys in the Fund shall be deposited into the Fund.

(a) As used in this Section:

"Department" means the Illinois Department of Revenue.

"School district property tax relief grant" means the money designated to be distributed to a school district from the moneys appropriated by the General Assembly from the School District Property Tax Relief Fund.

(b) Between November 15 and 17 of each year beginning in 2003, the Department must certify the amount of money available for school district property tax relief grants. The amount available is equal to the amount appropriated by the General Assembly or the unencumbered amount in the Fund at the time of certification, whichever is less.

(c) Between November 15 and 17 of each year beginning in 2003, the Department must calculate each school district's grant amount.

The amount of the grant for each school district for a tax year is calculated as follows: (i) each school district must certify to the Department the rate of the tax extended for educational purposes for the 2001 tax year (payable in 2002) for the school district; (ii) the Department must determine the equalized assessed value (EAV) of all taxable

1 property in the school district for the tax year preceding
2 the then current tax year; (iii) the rate determined in item
3 (i) is multiplied by the EAV determined in item (ii); (iv)
4 the amounts determined in item (iii) for all school districts
5 are added together to reach an aggregate total for all school
6 districts; and (v) the amount certified by the Department as
7 available for distribution for that tax year is multiplied by
8 the amount determined in item (iii) and then the product is
9 divided by the amount determined in item (iv). The result
10 determined in item (v) is the grant amount for the tax year.

11 For example:

12 (1) Total grant amount certified by the Department
13 for the tax year is \$5,000,000 to be distributed to
14 school districts A and B.

15 (2) School district A:

16 (A) Tax rate for educational purposes for the
17 2001 tax year was 1.50%.

18 (B) Equalized assessed value of all taxable
19 property in school district A for the preceding tax
20 year was \$50,000,000.

21 (3) School district B:

22 (A) Tax rate for educational purposes for the
23 2001 tax year was 1.35%.

24 (B) Equalized assessed value of all taxable
25 property in school district B for the preceding tax
26 year was \$75,000,000.

27 For school district A, the tax rate multiplied by the
28 preceding tax year's equalized assessed value of all taxable
29 property is \$750,000 (1.50% multiplied by \$50,000,000). For
30 school district B, the tax rate multiplied by the preceding
31 tax year's equalized assessed value of all taxable property
32 is \$1,012,500 (1.35% multiplied by \$75,000,000). The sum of
33 these 2 amounts is \$1,762,500. The grant for school district
34 A is \$5,000,000 (the total amount of grant moneys available)

1 multiplied by \$750,000 and then the product is divided by
2 \$1,762,500. School district A's grant is \$2,127,660. The
3 grant for school district B is \$5,000,000 (the total amount
4 of grant moneys available) multiplied by \$1,012,500 and then
5 the product is divided by \$1,762,500. School district B's
6 grant is \$2,872,340.

7 The Department must adopt rules to determine the
8 computation of the grant amount for a school district that
9 has undergone school district reorganization under Article 7,
10 7A, 11A, 11B, or 11D of the School Code (for example:
11 consolidation, conversion into a different type of district,
12 or creation of a new district).

13 (d) Between November 15 and 17 of each year beginning in
14 2003, the Department must certify to the county clerk of each
15 county the amount of the grant for each school district lying
16 wholly or partly in the county to be paid to the county
17 collector for distribution to the school district. The amount
18 of the grant for a school district that lies partly in the
19 county shall be that amount which bears the same ratio to the
20 grant for the whole school district as the equalized assessed
21 value of the taxable property in the school district for the
22 preceding tax year that lies in the county bears to the
23 equalized assessed value of all taxable property in the
24 school district for the preceding tax year.

25 (e) Upon receipt of a notice from the county clerk
26 required under Section 18-178 of the Property Tax Code that
27 the extension for educational purposes has been determined
28 and abated for each school district or part of a school
29 district in the county, the Department must certify to the
30 Comptroller the amount of the school district property tax
31 relief grant to be paid to the county collector. The
32 Comptroller must promptly pay the grants to the county
33 collector. Upon receipt of the school district property tax
34 relief grants, the county collector must pay the grants to

1 the respective school districts within 5 business days.

2 Section 15-10. The Illinois Income Tax Act is amended by
3 changing Sections 201, 203, 804, and 901 and by adding
4 Section 202.5 as follows:

5 (35 ILCS 5/201) (from Ch. 120, par. 2-201)
6 Sec. 201. Tax Imposed.

7 (a) In general. A tax measured by net income is hereby
8 imposed on every individual, corporation, trust and estate
9 for each taxable year ending after July 31, 1969 on the
10 privilege of earning or receiving income in or as a resident
11 of this State. Such tax shall be in addition to all other
12 occupation or privilege taxes imposed by this State or by any
13 municipal corporation or political subdivision thereof.

14 (b) Rates. The tax imposed by subsection (a) of this
15 Section shall be determined as follows, except as adjusted by
16 subsection (d-1):

17 (1) In the case of an individual, trust or estate,
18 for taxable years ending prior to July 1, 1989, an amount
19 equal to 2 1/2% of the taxpayer's net income for the
20 taxable year.

21 (2) In the case of an individual, trust or estate,
22 for taxable years beginning prior to July 1, 1989 and
23 ending after June 30, 1989, an amount equal to the sum of
24 (i) 2 1/2% of the taxpayer's net income for the period
25 prior to July 1, 1989, as calculated under Section 202.3,
26 and (ii) 3% of the taxpayer's net income for the period
27 after June 30, 1989, as calculated under Section 202.3.

28 (3) In the case of an individual, trust or estate,
29 for taxable years beginning after June 30, 1989 and
30 ending prior to July 1, 2003, an amount equal to 3% of
31 the taxpayer's net income for the taxable year.

32 (4) In the case of an individual, trust, or estate,

1 for taxable years beginning prior to July 1, 2003 and
2 ending after June 30, 2003, an amount equal to the sum of
3 (i) 3% of the taxpayer's net income for the period prior
4 to July 1, 2003, as calculated under Section 202.5, and
5 (ii) 4% of the taxpayer's net income for the period after
6 June 30, 2003, as calculated under Section 202.5 {Blank}.

7 (5) In the case of an individual, trust, or estate,
8 for taxable years beginning after June 30, 2003, an
9 amount equal to 4% of the taxpayer's net income for the
10 taxable year {Blank}.

11 (6) In the case of a corporation, for taxable years
12 ending prior to July 1, 1989, an amount equal to 4% of
13 the taxpayer's net income for the taxable year.

14 (7) In the case of a corporation, for taxable years
15 beginning prior to July 1, 1989 and ending after June 30,
16 1989, an amount equal to the sum of (i) 4% of the
17 taxpayer's net income for the period prior to July 1,
18 1989, as calculated under Section 202.3, and (ii) 4.8% of
19 the taxpayer's net income for the period after June 30,
20 1989, as calculated under Section 202.3.

21 (8) In the case of a corporation, for taxable years
22 beginning after June 30, 1989 and ending prior to July 1,
23 2003, an amount equal to 4.8% of the taxpayer's net
24 income for the taxable year.

25 (9) In the case a corporation, for taxable years
26 beginning prior to July 1, 2003 and ending after June 30,
27 2003, an amount equal to the sum of (i) 4.8% of the
28 taxpayer's net income for the period prior to July 1,
29 2003, as calculated under Section 202.5, and (ii) 6.4% of
30 the taxpayer's net income for the period after June 30,
31 2003, as calculated under Section 202.5.

32 (10) In the case of a corporation, for taxable
33 years beginning after June 30, 2003, an amount equal to
34 6.4% of the taxpayer's net income for the taxable year.

1 (c) Personal Property Tax Replacement Income Tax.
2 Beginning on July 1, 1979 and thereafter, in addition to such
3 income tax, there is also hereby imposed the Personal
4 Property Tax Replacement Income Tax measured by net income on
5 every corporation (including Subchapter S corporations),
6 partnership and trust, for each taxable year ending after
7 June 30, 1979. Such taxes are imposed on the privilege of
8 earning or receiving income in or as a resident of this
9 State. The Personal Property Tax Replacement Income Tax
10 shall be in addition to the income tax imposed by subsections
11 (a) and (b) of this Section and in addition to all other
12 occupation or privilege taxes imposed by this State or by any
13 municipal corporation or political subdivision thereof.

14 (d) Additional Personal Property Tax Replacement Income
15 Tax Rates. The personal property tax replacement income tax
16 imposed by this subsection and subsection (c) of this Section
17 in the case of a corporation, other than a Subchapter S
18 corporation and except as adjusted by subsection (d-1), shall
19 be an additional amount equal to 2.85% of such taxpayer's net
20 income for the taxable year, except that beginning on January
21 1, 1981, and thereafter, the rate of 2.85% specified in this
22 subsection shall be reduced to 2.5%, and in the case of a
23 partnership, trust or a Subchapter S corporation shall be an
24 additional amount equal to 1.5% of such taxpayer's net income
25 for the taxable year.

26 (d-1) Rate reduction for certain foreign insurers. In
27 the case of a foreign insurer, as defined by Section 35A-5 of
28 the Illinois Insurance Code, whose state or country of
29 domicile imposes on insurers domiciled in Illinois a
30 retaliatory tax (excluding any insurer whose premiums from
31 reinsurance assumed are 50% or more of its total insurance
32 premiums as determined under paragraph (2) of subsection (b)
33 of Section 304, except that for purposes of this
34 determination premiums from reinsurance do not include

1 premiums from inter-affiliate reinsurance arrangements),
2 beginning with taxable years ending on or after December 31,
3 1999, the sum of the rates of tax imposed by subsections (b)
4 and (d) shall be reduced (but not increased) to the rate at
5 which the total amount of tax imposed under this Act, net of
6 all credits allowed under this Act, shall equal (i) the total
7 amount of tax that would be imposed on the foreign insurer's
8 net income allocable to Illinois for the taxable year by such
9 foreign insurer's state or country of domicile if that net
10 income were subject to all income taxes and taxes measured by
11 net income imposed by such foreign insurer's state or country
12 of domicile, net of all credits allowed or (ii) a rate of
13 zero if no such tax is imposed on such income by the foreign
14 insurer's state of domicile. For the purposes of this
15 subsection (d-1), an inter-affiliate includes a mutual
16 insurer under common management.

17 (1) For the purposes of subsection (d-1), in no
18 event shall the sum of the rates of tax imposed by
19 subsections (b) and (d) be reduced below the rate at
20 which the sum of:

21 (A) the total amount of tax imposed on such
22 foreign insurer under this Act for a taxable year,
23 net of all credits allowed under this Act, plus

24 (B) the privilege tax imposed by Section 409
25 of the Illinois Insurance Code, the fire insurance
26 company tax imposed by Section 12 of the Fire
27 Investigation Act, and the fire department taxes
28 imposed under Section 11-10-1 of the Illinois
29 Municipal Code,

30 equals 1.25% of the net taxable premiums written for the
31 taxable year, as described by subsection (1) of Section
32 409 of the Illinois Insurance Code. This paragraph will
33 in no event increase the rates imposed under subsections
34 (b) and (d).

1 (2) Any reduction in the rates of tax imposed by
2 this subsection shall be applied first against the rates
3 imposed by subsection (b) and only after the tax imposed
4 by subsection (a) net of all credits allowed under this
5 Section other than the credit allowed under subsection
6 (i) has been reduced to zero, against the rates imposed
7 by subsection (d).

8 This subsection (d-1) is exempt from the provisions of
9 Section 250.

10 (e) Investment credit. A taxpayer shall be allowed a
11 credit against the Personal Property Tax Replacement Income
12 Tax for investment in qualified property.

13 (1) A taxpayer shall be allowed a credit equal to
14 .5% of the basis of qualified property placed in service
15 during the taxable year, provided such property is placed
16 in service on or after July 1, 1984. There shall be
17 allowed an additional credit equal to .5% of the basis of
18 qualified property placed in service during the taxable
19 year, provided such property is placed in service on or
20 after July 1, 1986, and the taxpayer's base employment
21 within Illinois has increased by 1% or more over the
22 preceding year as determined by the taxpayer's employment
23 records filed with the Illinois Department of Employment
24 Security. Taxpayers who are new to Illinois shall be
25 deemed to have met the 1% growth in base employment for
26 the first year in which they file employment records with
27 the Illinois Department of Employment Security. The
28 provisions added to this Section by Public Act 85-1200
29 (and restored by Public Act 87-895) shall be construed as
30 declaratory of existing law and not as a new enactment.
31 If, in any year, the increase in base employment within
32 Illinois over the preceding year is less than 1%, the
33 additional credit shall be limited to that percentage
34 times a fraction, the numerator of which is .5% and the

1 denominator of which is 1%, but shall not exceed .5%.
2 The investment credit shall not be allowed to the extent
3 that it would reduce a taxpayer's liability in any tax
4 year below zero, nor may any credit for qualified
5 property be allowed for any year other than the year in
6 which the property was placed in service in Illinois. For
7 tax years ending on or after December 31, 1987, and on or
8 before December 31, 1988, the credit shall be allowed for
9 the tax year in which the property is placed in service,
10 or, if the amount of the credit exceeds the tax liability
11 for that year, whether it exceeds the original liability
12 or the liability as later amended, such excess may be
13 carried forward and applied to the tax liability of the 5
14 taxable years following the excess credit years if the
15 taxpayer (i) makes investments which cause the creation
16 of a minimum of 2,000 full-time equivalent jobs in
17 Illinois, (ii) is located in an enterprise zone
18 established pursuant to the Illinois Enterprise Zone Act
19 and (iii) is certified by the Department of Commerce and
20 Community Affairs as complying with the requirements
21 specified in clause (i) and (ii) by July 1, 1986. The
22 Department of Commerce and Community Affairs shall notify
23 the Department of Revenue of all such certifications
24 immediately. For tax years ending after December 31,
25 1988, the credit shall be allowed for the tax year in
26 which the property is placed in service, or, if the
27 amount of the credit exceeds the tax liability for that
28 year, whether it exceeds the original liability or the
29 liability as later amended, such excess may be carried
30 forward and applied to the tax liability of the 5 taxable
31 years following the excess credit years. The credit shall
32 be applied to the earliest year for which there is a
33 liability. If there is credit from more than one tax year
34 that is available to offset a liability, earlier credit

1 shall be applied first.

2 (2) The term "qualified property" means property
3 which:

4 (A) is tangible, whether new or used,
5 including buildings and structural components of
6 buildings and signs that are real property, but not
7 including land or improvements to real property that
8 are not a structural component of a building such as
9 landscaping, sewer lines, local access roads,
10 fencing, parking lots, and other appurtenances;

11 (B) is depreciable pursuant to Section 167 of
12 the Internal Revenue Code, except that "3-year
13 property" as defined in Section 168(c)(2)(A) of that
14 Code is not eligible for the credit provided by this
15 subsection (e);

16 (C) is acquired by purchase as defined in
17 Section 179(d) of the Internal Revenue Code;

18 (D) is used in Illinois by a taxpayer who is
19 primarily engaged in manufacturing, or in mining
20 coal or fluorite, or in retailing; and

21 (E) has not previously been used in Illinois
22 in such a manner and by such a person as would
23 qualify for the credit provided by this subsection
24 (e) or subsection (f).

25 (3) For purposes of this subsection (e),
26 "manufacturing" means the material staging and production
27 of tangible personal property by procedures commonly
28 regarded as manufacturing, processing, fabrication, or
29 assembling which changes some existing material into new
30 shapes, new qualities, or new combinations. For purposes
31 of this subsection (e) the term "mining" shall have the
32 same meaning as the term "mining" in Section 613(c) of
33 the Internal Revenue Code. For purposes of this
34 subsection (e), the term "retailing" means the sale of

1 tangible personal property or services rendered in
2 conjunction with the sale of tangible consumer goods or
3 commodities.

4 (4) The basis of qualified property shall be the
5 basis used to compute the depreciation deduction for
6 federal income tax purposes.

7 (5) If the basis of the property for federal income
8 tax depreciation purposes is increased after it has been
9 placed in service in Illinois by the taxpayer, the amount
10 of such increase shall be deemed property placed in
11 service on the date of such increase in basis.

12 (6) The term "placed in service" shall have the
13 same meaning as under Section 46 of the Internal Revenue
14 Code.

15 (7) If during any taxable year, any property ceases
16 to be qualified property in the hands of the taxpayer
17 within 48 months after being placed in service, or the
18 situs of any qualified property is moved outside Illinois
19 within 48 months after being placed in service, the
20 Personal Property Tax Replacement Income Tax for such
21 taxable year shall be increased. Such increase shall be
22 determined by (i) recomputing the investment credit which
23 would have been allowed for the year in which credit for
24 such property was originally allowed by eliminating such
25 property from such computation and, (ii) subtracting such
26 recomputed credit from the amount of credit previously
27 allowed. For the purposes of this paragraph (7), a
28 reduction of the basis of qualified property resulting
29 from a redetermination of the purchase price shall be
30 deemed a disposition of qualified property to the extent
31 of such reduction.

32 (8) Unless the investment credit is extended by
33 law, the basis of qualified property shall not include
34 costs incurred after December 31, 2003, except for costs

1 incurred pursuant to a binding contract entered into on
2 or before December 31, 2003.

3 (9) Each taxable year ending before December 31,
4 2000, a partnership may elect to pass through to its
5 partners the credits to which the partnership is entitled
6 under this subsection (e) for the taxable year. A
7 partner may use the credit allocated to him or her under
8 this paragraph only against the tax imposed in
9 subsections (c) and (d) of this Section. If the
10 partnership makes that election, those credits shall be
11 allocated among the partners in the partnership in
12 accordance with the rules set forth in Section 704(b) of
13 the Internal Revenue Code, and the rules promulgated
14 under that Section, and the allocated amount of the
15 credits shall be allowed to the partners for that taxable
16 year. The partnership shall make this election on its
17 Personal Property Tax Replacement Income Tax return for
18 that taxable year. The election to pass through the
19 credits shall be irrevocable.

20 For taxable years ending on or after December 31,
21 2000, a partner that qualifies its partnership for a
22 subtraction under subparagraph (I) of paragraph (2) of
23 subsection (d) of Section 203 or a shareholder that
24 qualifies a Subchapter S corporation for a subtraction
25 under subparagraph (S) of paragraph (2) of subsection (b)
26 of Section 203 shall be allowed a credit under this
27 subsection (e) equal to its share of the credit earned
28 under this subsection (e) during the taxable year by the
29 partnership or Subchapter S corporation, determined in
30 accordance with the determination of income and
31 distributive share of income under Sections 702 and 704
32 and Subchapter S of the Internal Revenue Code. This
33 paragraph is exempt from the provisions of Section 250.

34 (f) Investment credit; Enterprise Zone.

1 (1) A taxpayer shall be allowed a credit against
2 the tax imposed by subsections (a) and (b) of this
3 Section for investment in qualified property which is
4 placed in service in an Enterprise Zone created pursuant
5 to the Illinois Enterprise Zone Act. For partners,
6 shareholders of Subchapter S corporations, and owners of
7 limited liability companies, if the liability company is
8 treated as a partnership for purposes of federal and
9 State income taxation, there shall be allowed a credit
10 under this subsection (f) to be determined in accordance
11 with the determination of income and distributive share
12 of income under Sections 702 and 704 and Subchapter S of
13 the Internal Revenue Code. The credit shall be .5% of
14 the basis for such property. The credit shall be
15 available only in the taxable year in which the property
16 is placed in service in the Enterprise Zone and shall not
17 be allowed to the extent that it would reduce a
18 taxpayer's liability for the tax imposed by subsections
19 (a) and (b) of this Section to below zero. For tax years
20 ending on or after December 31, 1985, the credit shall be
21 allowed for the tax year in which the property is placed
22 in service, or, if the amount of the credit exceeds the
23 tax liability for that year, whether it exceeds the
24 original liability or the liability as later amended,
25 such excess may be carried forward and applied to the tax
26 liability of the 5 taxable years following the excess
27 credit year. The credit shall be applied to the earliest
28 year for which there is a liability. If there is credit
29 from more than one tax year that is available to offset a
30 liability, the credit accruing first in time shall be
31 applied first.

32 (2) The term qualified property means property
33 which:

34 (A) is tangible, whether new or used,

1 including buildings and structural components of
2 buildings;

3 (B) is depreciable pursuant to Section 167 of
4 the Internal Revenue Code, except that "3-year
5 property" as defined in Section 168(c)(2)(A) of that
6 Code is not eligible for the credit provided by this
7 subsection (f);

8 (C) is acquired by purchase as defined in
9 Section 179(d) of the Internal Revenue Code;

10 (D) is used in the Enterprise Zone by the
11 taxpayer; and

12 (E) has not been previously used in Illinois
13 in such a manner and by such a person as would
14 qualify for the credit provided by this subsection
15 (f) or subsection (e).

16 (3) The basis of qualified property shall be the
17 basis used to compute the depreciation deduction for
18 federal income tax purposes.

19 (4) If the basis of the property for federal income
20 tax depreciation purposes is increased after it has been
21 placed in service in the Enterprise Zone by the taxpayer,
22 the amount of such increase shall be deemed property
23 placed in service on the date of such increase in basis.

24 (5) The term "placed in service" shall have the
25 same meaning as under Section 46 of the Internal Revenue
26 Code.

27 (6) If during any taxable year, any property ceases
28 to be qualified property in the hands of the taxpayer
29 within 48 months after being placed in service, or the
30 situs of any qualified property is moved outside the
31 Enterprise Zone within 48 months after being placed in
32 service, the tax imposed under subsections (a) and (b) of
33 this Section for such taxable year shall be increased.
34 Such increase shall be determined by (i) recomputing the

1 investment credit which would have been allowed for the
2 year in which credit for such property was originally
3 allowed by eliminating such property from such
4 computation, and (ii) subtracting such recomputed credit
5 from the amount of credit previously allowed. For the
6 purposes of this paragraph (6), a reduction of the basis
7 of qualified property resulting from a redetermination of
8 the purchase price shall be deemed a disposition of
9 qualified property to the extent of such reduction.

10 (g) Jobs Tax Credit; Enterprise Zone and Foreign Trade
11 Zone or Sub-Zone.

12 (1) A taxpayer conducting a trade or business in an
13 enterprise zone or a High Impact Business designated by
14 the Department of Commerce and Community Affairs
15 conducting a trade or business in a federally designated
16 Foreign Trade Zone or Sub-Zone shall be allowed a credit
17 against the tax imposed by subsections (a) and (b) of
18 this Section in the amount of \$500 per eligible employee
19 hired to work in the zone during the taxable year.

20 (2) To qualify for the credit:

21 (A) the taxpayer must hire 5 or more eligible
22 employees to work in an enterprise zone or federally
23 designated Foreign Trade Zone or Sub-Zone during the
24 taxable year;

25 (B) the taxpayer's total employment within the
26 enterprise zone or federally designated Foreign
27 Trade Zone or Sub-Zone must increase by 5 or more
28 full-time employees beyond the total employed in
29 that zone at the end of the previous tax year for
30 which a jobs tax credit under this Section was
31 taken, or beyond the total employed by the taxpayer
32 as of December 31, 1985, whichever is later; and

33 (C) the eligible employees must be employed
34 180 consecutive days in order to be deemed hired for

1 purposes of this subsection.

2 (3) An "eligible employee" means an employee who
3 is:

4 (A) Certified by the Department of Commerce
5 and Community Affairs as "eligible for services"
6 pursuant to regulations promulgated in accordance
7 with Title II of the Job Training Partnership Act,
8 Training Services for the Disadvantaged or Title III
9 of the Job Training Partnership Act, Employment and
10 Training Assistance for Dislocated Workers Program.

11 (B) Hired after the enterprise zone or
12 federally designated Foreign Trade Zone or Sub-Zone
13 was designated or the trade or business was located
14 in that zone, whichever is later.

15 (C) Employed in the enterprise zone or Foreign
16 Trade Zone or Sub-Zone. An employee is employed in
17 an enterprise zone or federally designated Foreign
18 Trade Zone or Sub-Zone if his services are rendered
19 there or it is the base of operations for the
20 services performed.

21 (D) A full-time employee working 30 or more
22 hours per week.

23 (4) For tax years ending on or after December 31,
24 1985 and prior to December 31, 1988, the credit shall be
25 allowed for the tax year in which the eligible employees
26 are hired. For tax years ending on or after December 31,
27 1988, the credit shall be allowed for the tax year
28 immediately following the tax year in which the eligible
29 employees are hired. If the amount of the credit exceeds
30 the tax liability for that year, whether it exceeds the
31 original liability or the liability as later amended,
32 such excess may be carried forward and applied to the tax
33 liability of the 5 taxable years following the excess
34 credit year. The credit shall be applied to the earliest

1 year for which there is a liability. If there is credit
2 from more than one tax year that is available to offset a
3 liability, earlier credit shall be applied first.

4 (5) The Department of Revenue shall promulgate such
5 rules and regulations as may be deemed necessary to carry
6 out the purposes of this subsection (g).

7 (6) The credit shall be available for eligible
8 employees hired on or after January 1, 1986.

9 (h) Investment credit; High Impact Business.

10 (1) Subject to subsections (b) and (b-5) of Section
11 5.5 of the Illinois Enterprise Zone Act, a taxpayer shall
12 be allowed a credit against the tax imposed by
13 subsections (a) and (b) of this Section for investment in
14 qualified property which is placed in service by a
15 Department of Commerce and Community Affairs designated
16 High Impact Business. The credit shall be .5% of the
17 basis for such property. The credit shall not be
18 available (i) until the minimum investments in qualified
19 property set forth in subdivision (a)(3)(A) of Section
20 5.5 of the Illinois Enterprise Zone Act have been
21 satisfied or (ii) until the time authorized in subsection
22 (b-5) of the Illinois Enterprise Zone Act for entities
23 designated as High Impact Businesses under subdivisions
24 (a)(3)(B), (a)(3)(C), and (a)(3)(D) of Section 5.5 of the
25 Illinois Enterprise Zone Act, and shall not be allowed to
26 the extent that it would reduce a taxpayer's liability
27 for the tax imposed by subsections (a) and (b) of this
28 Section to below zero. The credit applicable to such
29 investments shall be taken in the taxable year in which
30 such investments have been completed. The credit for
31 additional investments beyond the minimum investment by a
32 designated high impact business authorized under
33 subdivision (a)(3)(A) of Section 5.5 of the Illinois
34 Enterprise Zone Act shall be available only in the

1 taxable year in which the property is placed in service
2 and shall not be allowed to the extent that it would
3 reduce a taxpayer's liability for the tax imposed by
4 subsections (a) and (b) of this Section to below zero.
5 For tax years ending on or after December 31, 1987, the
6 credit shall be allowed for the tax year in which the
7 property is placed in service, or, if the amount of the
8 credit exceeds the tax liability for that year, whether
9 it exceeds the original liability or the liability as
10 later amended, such excess may be carried forward and
11 applied to the tax liability of the 5 taxable years
12 following the excess credit year. The credit shall be
13 applied to the earliest year for which there is a
14 liability. If there is credit from more than one tax
15 year that is available to offset a liability, the credit
16 accruing first in time shall be applied first.

17 Changes made in this subdivision (h)(1) by Public
18 Act 88-670 restore changes made by Public Act 85-1182 and
19 reflect existing law.

20 (2) The term qualified property means property
21 which:

22 (A) is tangible, whether new or used,
23 including buildings and structural components of
24 buildings;

25 (B) is depreciable pursuant to Section 167 of
26 the Internal Revenue Code, except that "3-year
27 property" as defined in Section 168(c)(2)(A) of that
28 Code is not eligible for the credit provided by this
29 subsection (h);

30 (C) is acquired by purchase as defined in
31 Section 179(d) of the Internal Revenue Code; and

32 (D) is not eligible for the Enterprise Zone
33 Investment Credit provided by subsection (f) of this
34 Section.

1 (3) The basis of qualified property shall be the
2 basis used to compute the depreciation deduction for
3 federal income tax purposes.

4 (4) If the basis of the property for federal income
5 tax depreciation purposes is increased after it has been
6 placed in service in a federally designated Foreign Trade
7 Zone or Sub-Zone located in Illinois by the taxpayer, the
8 amount of such increase shall be deemed property placed
9 in service on the date of such increase in basis.

10 (5) The term "placed in service" shall have the
11 same meaning as under Section 46 of the Internal Revenue
12 Code.

13 (6) If during any taxable year ending on or before
14 December 31, 1996, any property ceases to be qualified
15 property in the hands of the taxpayer within 48 months
16 after being placed in service, or the situs of any
17 qualified property is moved outside Illinois within 48
18 months after being placed in service, the tax imposed
19 under subsections (a) and (b) of this Section for such
20 taxable year shall be increased. Such increase shall be
21 determined by (i) recomputing the investment credit which
22 would have been allowed for the year in which credit for
23 such property was originally allowed by eliminating such
24 property from such computation, and (ii) subtracting such
25 recomputed credit from the amount of credit previously
26 allowed. For the purposes of this paragraph (6), a
27 reduction of the basis of qualified property resulting
28 from a redetermination of the purchase price shall be
29 deemed a disposition of qualified property to the extent
30 of such reduction.

31 (7) Beginning with tax years ending after December
32 31, 1996, if a taxpayer qualifies for the credit under
33 this subsection (h) and thereby is granted a tax
34 abatement and the taxpayer relocates its entire facility

1 in violation of the explicit terms and length of the
2 contract under Section 18-183 of the Property Tax Code,
3 the tax imposed under subsections (a) and (b) of this
4 Section shall be increased for the taxable year in which
5 the taxpayer relocated its facility by an amount equal to
6 the amount of credit received by the taxpayer under this
7 subsection (h).

8 (i) Credit for Personal Property Tax Replacement Income
9 Tax. A credit shall be allowed against the tax imposed by
10 subsections (a) and (b) of this Section for the tax imposed
11 by subsections (c) and (d) of this Section. This credit
12 shall be computed by multiplying the tax imposed by
13 subsections (c) and (d) of this Section by a fraction, the
14 numerator of which is base income allocable to Illinois and
15 the denominator of which is Illinois base income, and further
16 multiplying the product by the tax rate imposed by
17 subsections (a) and (b) of this Section.

18 Any credit earned on or after December 31, 1986 under
19 this subsection which is unused in the year the credit is
20 computed because it exceeds the tax liability imposed by
21 subsections (a) and (b) for that year (whether it exceeds the
22 original liability or the liability as later amended) may be
23 carried forward and applied to the tax liability imposed by
24 subsections (a) and (b) of the 5 taxable years following the
25 excess credit year. This credit shall be applied first to
26 the earliest year for which there is a liability. If there
27 is a credit under this subsection from more than one tax year
28 that is available to offset a liability the earliest credit
29 arising under this subsection shall be applied first.

30 If, during any taxable year ending on or after December
31 31, 1986, the tax imposed by subsections (c) and (d) of this
32 Section for which a taxpayer has claimed a credit under this
33 subsection (i) is reduced, the amount of credit for such tax
34 shall also be reduced. Such reduction shall be determined by

1 recomputing the credit to take into account the reduced tax
2 imposed by subsections (c) and (d). If any portion of the
3 reduced amount of credit has been carried to a different
4 taxable year, an amended return shall be filed for such
5 taxable year to reduce the amount of credit claimed.

6 (j) Training expense credit. Beginning with tax years
7 ending on or after December 31, 1986, a taxpayer shall be
8 allowed a credit against the tax imposed by subsections (a)
9 and (b) under this Section for all amounts paid or accrued,
10 on behalf of all persons employed by the taxpayer in Illinois
11 or Illinois residents employed outside of Illinois by a
12 taxpayer, for educational or vocational training in
13 semi-technical or technical fields or semi-skilled or skilled
14 fields, which were deducted from gross income in the
15 computation of taxable income. The credit against the tax
16 imposed by subsections (a) and (b) shall be 1.6% of such
17 training expenses. For partners, shareholders of subchapter
18 S corporations, and owners of limited liability companies, if
19 the liability company is treated as a partnership for
20 purposes of federal and State income taxation, there shall be
21 allowed a credit under this subsection (j) to be determined
22 in accordance with the determination of income and
23 distributive share of income under Sections 702 and 704 and
24 subchapter S of the Internal Revenue Code.

25 Any credit allowed under this subsection which is unused
26 in the year the credit is earned may be carried forward to
27 each of the 5 taxable years following the year for which the
28 credit is first computed until it is used. This credit shall
29 be applied first to the earliest year for which there is a
30 liability. If there is a credit under this subsection from
31 more than one tax year that is available to offset a
32 liability the earliest credit arising under this subsection
33 shall be applied first.

34 (k) Research and development credit.

1 Beginning with tax years ending after July 1, 1990, a
2 taxpayer shall be allowed a credit against the tax imposed by
3 subsections (a) and (b) of this Section for increasing
4 research activities in this State. The credit allowed
5 against the tax imposed by subsections (a) and (b) shall be
6 equal to 6 1/2% of the qualifying expenditures for increasing
7 research activities in this State. For partners,
8 shareholders of subchapter S corporations, and owners of
9 limited liability companies, if the liability company is
10 treated as a partnership for purposes of federal and State
11 income taxation, there shall be allowed a credit under this
12 subsection to be determined in accordance with the
13 determination of income and distributive share of income
14 under Sections 702 and 704 and subchapter S of the Internal
15 Revenue Code.

16 For purposes of this subsection, "qualifying
17 expenditures" means the qualifying expenditures as defined
18 for the federal credit for increasing research activities
19 which would be allowable under Section 41 of the Internal
20 Revenue Code and which are conducted in this State,
21 "qualifying expenditures for increasing research activities
22 in this State" means the excess of qualifying expenditures
23 for the taxable year in which incurred over qualifying
24 expenditures for the base period, "qualifying expenditures
25 for the base period" means the average of the qualifying
26 expenditures for each year in the base period, and "base
27 period" means the 3 taxable years immediately preceding the
28 taxable year for which the determination is being made.

29 Any credit in excess of the tax liability for the taxable
30 year may be carried forward. A taxpayer may elect to have the
31 unused credit shown on its final completed return carried
32 over as a credit against the tax liability for the following
33 5 taxable years or until it has been fully used, whichever
34 occurs first.

1 If an unused credit is carried forward to a given year
2 from 2 or more earlier years, that credit arising in the
3 earliest year will be applied first against the tax liability
4 for the given year. If a tax liability for the given year
5 still remains, the credit from the next earliest year will
6 then be applied, and so on, until all credits have been used
7 or no tax liability for the given year remains. Any
8 remaining unused credit or credits then will be carried
9 forward to the next following year in which a tax liability
10 is incurred, except that no credit can be carried forward to
11 a year which is more than 5 years after the year in which the
12 expense for which the credit is given was incurred.

13 Unless extended by law, the credit shall not include
14 costs incurred after December 31, 2004, except for costs
15 incurred pursuant to a binding contract entered into on or
16 before December 31, 2004.

17 No inference shall be drawn from this amendatory Act of
18 the 91st General Assembly in construing this Section for
19 taxable years beginning before January 1, 1999.

20 (1) Environmental Remediation Tax Credit.

21 (i) For tax years ending after December 31, 1997
22 and on or before December 31, 2001, a taxpayer shall be
23 allowed a credit against the tax imposed by subsections
24 (a) and (b) of this Section for certain amounts paid for
25 unreimbursed eligible remediation costs, as specified in
26 this subsection. For purposes of this Section,
27 "unreimbursed eligible remediation costs" means costs
28 approved by the Illinois Environmental Protection Agency
29 ("Agency") under Section 58.14 of the Environmental
30 Protection Act that were paid in performing environmental
31 remediation at a site for which a No Further Remediation
32 Letter was issued by the Agency and recorded under
33 Section 58.10 of the Environmental Protection Act. The
34 credit must be claimed for the taxable year in which

1 Agency approval of the eligible remediation costs is
2 granted. The credit is not available to any taxpayer if
3 the taxpayer or any related party caused or contributed
4 to, in any material respect, a release of regulated
5 substances on, in, or under the site that was identified
6 and addressed by the remedial action pursuant to the Site
7 Remediation Program of the Environmental Protection Act.
8 After the Pollution Control Board rules are adopted
9 pursuant to the Illinois Administrative Procedure Act for
10 the administration and enforcement of Section 58.9 of the
11 Environmental Protection Act, determinations as to credit
12 availability for purposes of this Section shall be made
13 consistent with those rules. For purposes of this
14 Section, "taxpayer" includes a person whose tax
15 attributes the taxpayer has succeeded to under Section
16 381 of the Internal Revenue Code and "related party"
17 includes the persons disallowed a deduction for losses by
18 paragraphs (b), (c), and (f)(1) of Section 267 of the
19 Internal Revenue Code by virtue of being a related
20 taxpayer, as well as any of its partners. The credit
21 allowed against the tax imposed by subsections (a) and
22 (b) shall be equal to 25% of the unreimbursed eligible
23 remediation costs in excess of \$100,000 per site, except
24 that the \$100,000 threshold shall not apply to any site
25 contained in an enterprise zone as determined by the
26 Department of Commerce and Community Affairs. The total
27 credit allowed shall not exceed \$40,000 per year with a
28 maximum total of \$150,000 per site. For partners and
29 shareholders of subchapter S corporations, there shall be
30 allowed a credit under this subsection to be determined
31 in accordance with the determination of income and
32 distributive share of income under Sections 702 and 704
33 and subchapter S of the Internal Revenue Code.

34 (ii) A credit allowed under this subsection that is

1 unused in the year the credit is earned may be carried
2 forward to each of the 5 taxable years following the year
3 for which the credit is first earned until it is used.
4 The term "unused credit" does not include any amounts of
5 unreimbursed eligible remediation costs in excess of the
6 maximum credit per site authorized under paragraph (i).
7 This credit shall be applied first to the earliest year
8 for which there is a liability. If there is a credit
9 under this subsection from more than one tax year that is
10 available to offset a liability, the earliest credit
11 arising under this subsection shall be applied first. A
12 credit allowed under this subsection may be sold to a
13 buyer as part of a sale of all or part of the remediation
14 site for which the credit was granted. The purchaser of
15 a remediation site and the tax credit shall succeed to
16 the unused credit and remaining carry-forward period of
17 the seller. To perfect the transfer, the assignor shall
18 record the transfer in the chain of title for the site
19 and provide written notice to the Director of the
20 Illinois Department of Revenue of the assignor's intent
21 to sell the remediation site and the amount of the tax
22 credit to be transferred as a portion of the sale. In no
23 event may a credit be transferred to any taxpayer if the
24 taxpayer or a related party would not be eligible under
25 the provisions of subsection (i).

26 (iii) For purposes of this Section, the term "site"
27 shall have the same meaning as under Section 58.2 of the
28 Environmental Protection Act.

29 (m) Education expense credit. Beginning with tax years
30 ending after December 31, 1999, a taxpayer who is the
31 custodian of one or more qualifying pupils shall be allowed a
32 credit against the tax imposed by subsections (a) and (b) of
33 this Section for qualified education expenses incurred on
34 behalf of the qualifying pupils. The credit shall be equal

1 to 25% of qualified education expenses, but in no event may
2 the total credit under this subsection claimed by a family
3 that is the custodian of qualifying pupils exceed \$500. In
4 no event shall a credit under this subsection reduce the
5 taxpayer's liability under this Act to less than zero. This
6 subsection is exempt from the provisions of Section 250 of
7 this Act.

8 For purposes of this subsection:

9 "Qualifying pupils" means individuals who (i) are
10 residents of the State of Illinois, (ii) are under the age of
11 21 at the close of the school year for which a credit is
12 sought, and (iii) during the school year for which a credit
13 is sought were full-time pupils enrolled in a kindergarten
14 through twelfth grade education program at any school, as
15 defined in this subsection.

16 "Qualified education expense" means the amount incurred
17 on behalf of a qualifying pupil in excess of \$250 for
18 tuition, book fees, and lab fees at the school in which the
19 pupil is enrolled during the regular school year.

20 "School" means any public or nonpublic elementary or
21 secondary school in Illinois that is in compliance with Title
22 VI of the Civil Rights Act of 1964 and attendance at which
23 satisfies the requirements of Section 26-1 of the School
24 Code, except that nothing shall be construed to require a
25 child to attend any particular public or nonpublic school to
26 qualify for the credit under this Section.

27 "Custodian" means, with respect to qualifying pupils, an
28 Illinois resident who is a parent, the parents, a legal
29 guardian, or the legal guardians of the qualifying pupils.

30 (Source: P.A. 91-9, eff. 1-1-00; 91-357, eff. 7-29-99;
31 91-643, eff. 8-20-99; 91-644, eff. 8-20-99; 91-860, eff.
32 6-22-00; 91-913, eff. 1-1-01; 92-12, eff. 7-1-01; 92-16, eff.
33 6-28-01; 92-651, eff. 7-11-02; 92-846, eff. 8-23-02.)

1 (35 ILCS 5/202.5 new)

2 Sec. 202.5. Net income attributable to the period prior
3 to July 1, 2003 and net income attributable to the period
4 after June 30, 2003.

5 (a) In general. With respect to the taxable year of a
6 taxpayer beginning prior to July 1, 2003 and ending after
7 June 30, 2003, net income for the period after June 30, 2003
8 shall be that amount which bears the same ratio to the
9 taxpayer's net income for the entire taxable year as the
10 number of days in such year after June 30, 2003 bears to the
11 total number of days in such year, and the net income for the
12 period prior to July 1, 2003 shall be that amount which bears
13 the same ratio to the taxpayer's net income for the entire
14 taxable year as the number of days in such year prior to July
15 1, 2003 bears to the total number of days in such year.

16 (b) Election to attribute income and deduction items
17 specifically to the respective portions of a taxable year
18 prior to July 1, 2003 and after June 30, 2003. In the case of
19 a taxpayer with a taxable year beginning prior to July 1,
20 2003 and ending after June 30, 2003, the taxpayer may elect,
21 in lieu of the procedure established in subsection (a) of
22 this Section, to determine net income on a specific
23 accounting basis for the 2 portions of his or her taxable
24 year:

25 (i) from the beginning of the taxable year through
26 June 30, 2003; and

27 (ii) from July 1, 2003 through the end of the
28 taxable year.

29 If the taxpayer elects specific accounting under this
30 subsection, there shall be taken into account in computing
31 base income for each of the 2 portions of the taxable year
32 only those items earned, received, paid, incurred, or accrued
33 in each such period. The standard exemption provided by
34 Section 204 shall be divided between the respective periods

1 in amounts that bear the same ratio to the total exemption
2 allowable under Section 204 (determined without regard to
3 this Section) as the total number of days in each such period
4 bears to the total number of days in the taxable year. The
5 election provided by this subsection shall be made in such
6 manner and at such time as the Department may by forms or
7 regulations prescribe, but shall be made not later than the
8 due date (including any extensions thereof) for the filing of
9 the return for the taxable year, and shall be irrevocable.

10 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

11 Sec. 203. Base income defined.

12 (a) Individuals.

13 (1) In general. In the case of an individual, base
14 income means an amount equal to the taxpayer's adjusted
15 gross income for the taxable year as modified by
16 paragraph (2).

17 (2) Modifications. The adjusted gross income
18 referred to in paragraph (1) shall be modified by adding
19 thereto the sum of the following amounts:

20 (A) An amount equal to all amounts paid or
21 accrued to the taxpayer as interest or dividends
22 during the taxable year to the extent excluded from
23 gross income in the computation of adjusted gross
24 income, except stock dividends of qualified public
25 utilities described in Section 305(e) of the
26 Internal Revenue Code;

27 (B) An amount equal to the amount of tax
28 imposed by this Act to the extent deducted from
29 gross income in the computation of adjusted gross
30 income for the taxable year;

31 (C) An amount equal to the amount received
32 during the taxable year as a recovery or refund of
33 real property taxes paid with respect to the

1 taxpayer's principal residence under the Revenue Act
2 of 1939 and for which a deduction was previously
3 taken under subparagraph (L) of this paragraph (2)
4 prior to July 1, 1991, the retrospective application
5 date of Article 4 of Public Act 87-17. In the case
6 of multi-unit or multi-use structures and farm
7 dwellings, the taxes on the taxpayer's principal
8 residence shall be that portion of the total taxes
9 for the entire property which is attributable to
10 such principal residence;

11 (D) An amount equal to the amount of the
12 capital gain deduction allowable under the Internal
13 Revenue Code, to the extent deducted from gross
14 income in the computation of adjusted gross income;

15 (D-5) An amount, to the extent not included in
16 adjusted gross income, equal to the amount of money
17 withdrawn by the taxpayer in the taxable year from a
18 medical care savings account and the interest earned
19 on the account in the taxable year of a withdrawal
20 pursuant to subsection (b) of Section 20 of the
21 Medical Care Savings Account Act or subsection (b)
22 of Section 20 of the Medical Care Savings Account
23 Act of 2000;

24 (D-10) For taxable years ending after December
25 31, 1997, an amount equal to any eligible
26 remediation costs that the individual deducted in
27 computing adjusted gross income and for which the
28 individual claims a credit under subsection (l) of
29 Section 201;

30 (D-15) For taxable years 2001 and thereafter,
31 an amount equal to the bonus depreciation deduction
32 (30% of the adjusted basis of the qualified
33 property) taken on the taxpayer's federal income tax
34 return for the taxable year under subsection (k) of

1 Section 168 of the Internal Revenue Code; and

2 (D-16) If the taxpayer reports a capital gain
3 or loss on the taxpayer's federal income tax return
4 for the taxable year based on a sale or transfer of
5 property for which the taxpayer was required in any
6 taxable year to make an addition modification under
7 subparagraph (D-15), then an amount equal to the
8 aggregate amount of the deductions taken in all
9 taxable years under subparagraph (Z) with respect to
10 that property.†

11 The taxpayer is required to make the addition
12 modification under this subparagraph only once with
13 respect to any one piece of property;‡ and

14 (D-20) ~~(D-15)~~ For taxable years beginning on
15 or after January 1, 2002, in the case of a
16 distribution from a qualified tuition program under
17 Section 529 of the Internal Revenue Code, other than
18 (i) a distribution from a College Savings Pool
19 created under Section 16.5 of the State Treasurer
20 Act or (ii) a distribution from the Illinois Prepaid
21 Tuition Trust Fund, an amount equal to the amount
22 excluded from gross income under Section
23 529(c)(3)(B);

24 and by deducting from the total so obtained the sum of
25 the following amounts:

26 (E) For taxable years ending before December
27 31, 2001, any amount included in such total in
28 respect of any compensation (including but not
29 limited to any compensation paid or accrued to a
30 serviceman while a prisoner of war or missing in
31 action) paid to a resident by reason of being on
32 active duty in the Armed Forces of the United States
33 and in respect of any compensation paid or accrued
34 to a resident who as a governmental employee was a

1 prisoner of war or missing in action, and in respect
2 of any compensation paid to a resident in 1971 or
3 thereafter for annual training performed pursuant to
4 Sections 502 and 503, Title 32, United States Code
5 as a member of the Illinois National Guard. For
6 taxable years ending on or after December 31, 2001,
7 any amount included in such total in respect of any
8 compensation (including but not limited to any
9 compensation paid or accrued to a serviceman while a
10 prisoner of war or missing in action) paid to a
11 resident by reason of being a member of any
12 component of the Armed Forces of the United States
13 and in respect of any compensation paid or accrued
14 to a resident who as a governmental employee was a
15 prisoner of war or missing in action, and in respect
16 of any compensation paid to a resident in 2001 or
17 thereafter by reason of being a member of the
18 Illinois National Guard. The provisions of this
19 amendatory Act of the 92nd General Assembly are
20 exempt from the provisions of Section 250;

21 (F) An amount equal to all amounts included in
22 such total pursuant to the provisions of Sections
23 402(a), 402(c), 403(a), 403(b), 406(a), 407(a), and
24 408 of the Internal Revenue Code, or included in
25 such total as distributions under the provisions of
26 any retirement or disability plan for employees of
27 any governmental agency or unit, or retirement
28 payments to retired partners, which payments are
29 excluded in computing net earnings from self
30 employment by Section 1402 of the Internal Revenue
31 Code and regulations adopted pursuant thereto;

32 (G) The valuation limitation amount;

33 (H) An amount equal to the amount of any tax
34 imposed by this Act which was refunded to the

1 taxpayer and included in such total for the taxable
2 year;

3 (I) An amount equal to all amounts included in
4 such total pursuant to the provisions of Section 111
5 of the Internal Revenue Code as a recovery of items
6 previously deducted from adjusted gross income in
7 the computation of taxable income;

8 (J) An amount equal to those dividends
9 included in such total which were paid by a
10 corporation which conducts business operations in an
11 Enterprise Zone or zones created under the Illinois
12 Enterprise Zone Act, and conducts substantially all
13 of its operations in an Enterprise Zone or zones;

14 (K) An amount equal to those dividends
15 included in such total that were paid by a
16 corporation that conducts business operations in a
17 federally designated Foreign Trade Zone or Sub-Zone
18 and that is designated a High Impact Business
19 located in Illinois; provided that dividends
20 eligible for the deduction provided in subparagraph
21 (J) of paragraph (2) of this subsection shall not be
22 eligible for the deduction provided under this
23 subparagraph (K);

24 (L) For taxable years ending after December
25 31, 1983, an amount equal to all social security
26 benefits and railroad retirement benefits included
27 in such total pursuant to Sections 72(r) and 86 of
28 the Internal Revenue Code;

29 (M) With the exception of any amounts
30 subtracted under subparagraph (N), an amount equal
31 to the sum of all amounts disallowed as deductions
32 by (i) Sections 171(a) (2), and 265(2) of the
33 Internal Revenue Code of 1954, as now or hereafter
34 amended, and all amounts of expenses allocable to

1 interest and disallowed as deductions by Section
2 265(1) of the Internal Revenue Code of 1954, as now
3 or hereafter amended; and (ii) for taxable years
4 ending on or after August 13, 1999, Sections
5 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of the
6 Internal Revenue Code; the provisions of this
7 subparagraph are exempt from the provisions of
8 Section 250;

9 (N) An amount equal to all amounts included in
10 such total which are exempt from taxation by this
11 State either by reason of its statutes or
12 Constitution or by reason of the Constitution,
13 treaties or statutes of the United States; provided
14 that, in the case of any statute of this State that
15 exempts income derived from bonds or other
16 obligations from the tax imposed under this Act, the
17 amount exempted shall be the interest net of bond
18 premium amortization;

19 (O) An amount equal to any contribution made
20 to a job training project established pursuant to
21 the Tax Increment Allocation Redevelopment Act;

22 (P) An amount equal to the amount of the
23 deduction used to compute the federal income tax
24 credit for restoration of substantial amounts held
25 under claim of right for the taxable year pursuant
26 to Section 1341 of the Internal Revenue Code of
27 1986;

28 (Q) An amount equal to any amounts included in
29 such total, received by the taxpayer as an
30 acceleration in the payment of life, endowment or
31 annuity benefits in advance of the time they would
32 otherwise be payable as an indemnity for a terminal
33 illness;

34 (R) An amount equal to the amount of any

1 federal or State bonus paid to veterans of the
2 Persian Gulf War;

3 (S) An amount, to the extent included in
4 adjusted gross income, equal to the amount of a
5 contribution made in the taxable year on behalf of
6 the taxpayer to a medical care savings account
7 established under the Medical Care Savings Account
8 Act or the Medical Care Savings Account Act of 2000
9 to the extent the contribution is accepted by the
10 account administrator as provided in that Act;

11 (T) An amount, to the extent included in
12 adjusted gross income, equal to the amount of
13 interest earned in the taxable year on a medical
14 care savings account established under the Medical
15 Care Savings Account Act or the Medical Care Savings
16 Account Act of 2000 on behalf of the taxpayer, other
17 than interest added pursuant to item (D-5) of this
18 paragraph (2);

19 (U) For one taxable year beginning on or after
20 January 1, 1994, an amount equal to the total amount
21 of tax imposed and paid under subsections (a) and
22 (b) of Section 201 of this Act on grant amounts
23 received by the taxpayer under the Nursing Home
24 Grant Assistance Act during the taxpayer's taxable
25 years 1992 and 1993;

26 (V) Beginning with tax years ending on or
27 after December 31, 1995 and ending with tax years
28 ending on or before December 31, 2004, an amount
29 equal to the amount paid by a taxpayer who is a
30 self-employed taxpayer, a partner of a partnership,
31 or a shareholder in a Subchapter S corporation for
32 health insurance or long-term care insurance for
33 that taxpayer or that taxpayer's spouse or
34 dependents, to the extent that the amount paid for

1 that health insurance or long-term care insurance
2 may be deducted under Section 213 of the Internal
3 Revenue Code of 1986, has not been deducted on the
4 federal income tax return of the taxpayer, and does
5 not exceed the taxable income attributable to that
6 taxpayer's income, self-employment income, or
7 Subchapter S corporation income; except that no
8 deduction shall be allowed under this item (V) if
9 the taxpayer is eligible to participate in any
10 health insurance or long-term care insurance plan of
11 an employer of the taxpayer or the taxpayer's
12 spouse. The amount of the health insurance and
13 long-term care insurance subtracted under this item
14 (V) shall be determined by multiplying total health
15 insurance and long-term care insurance premiums paid
16 by the taxpayer times a number that represents the
17 fractional percentage of eligible medical expenses
18 under Section 213 of the Internal Revenue Code of
19 1986 not actually deducted on the taxpayer's federal
20 income tax return;

21 (W) For taxable years beginning on or after
22 January 1, 1998, all amounts included in the
23 taxpayer's federal gross income in the taxable year
24 from amounts converted from a regular IRA to a Roth
25 IRA. This paragraph is exempt from the provisions of
26 Section 250;

27 (X) For taxable year 1999 and thereafter, an
28 amount equal to the amount of any (i) distributions,
29 to the extent includible in gross income for federal
30 income tax purposes, made to the taxpayer because of
31 his or her status as a victim of persecution for
32 racial or religious reasons by Nazi Germany or any
33 other Axis regime or as an heir of the victim and
34 (ii) items of income, to the extent includible in

1 gross income for federal income tax purposes,
2 attributable to, derived from or in any way related
3 to assets stolen from, hidden from, or otherwise
4 lost to a victim of persecution for racial or
5 religious reasons by Nazi Germany or any other Axis
6 regime immediately prior to, during, and immediately
7 after World War II, including, but not limited to,
8 interest on the proceeds receivable as insurance
9 under policies issued to a victim of persecution for
10 racial or religious reasons by Nazi Germany or any
11 other Axis regime by European insurance companies
12 immediately prior to and during World War II;
13 provided, however, this subtraction from federal
14 adjusted gross income does not apply to assets
15 acquired with such assets or with the proceeds from
16 the sale of such assets; provided, further, this
17 paragraph shall only apply to a taxpayer who was the
18 first recipient of such assets after their recovery
19 and who is a victim of persecution for racial or
20 religious reasons by Nazi Germany or any other Axis
21 regime or as an heir of the victim. The amount of
22 and the eligibility for any public assistance,
23 benefit, or similar entitlement is not affected by
24 the inclusion of items (i) and (ii) of this
25 paragraph in gross income for federal income tax
26 purposes. This paragraph is exempt from the
27 provisions of Section 250;

28 (Y) For taxable years beginning on or after
29 January 1, 2002, moneys contributed in the taxable
30 year to a College Savings Pool account under Section
31 16.5 of the State Treasurer Act, except that amounts
32 excluded from gross income under Section
33 529(c)(3)(C)(i) of the Internal Revenue Code shall
34 not be considered moneys contributed under this

1 subparagraph (Y). This subparagraph (Y) is exempt
2 from the provisions of Section 250;

3 (Z) For taxable years 2001 and thereafter, for
4 the taxable year in which the bonus depreciation
5 deduction (30% of the adjusted basis of the
6 qualified property) is taken on the taxpayer's
7 federal income tax return under subsection (k) of
8 Section 168 of the Internal Revenue Code and for
9 each applicable taxable year thereafter, an amount
10 equal to "x", where:

11 (1) "y" equals the amount of the
12 depreciation deduction taken for the taxable
13 year on the taxpayer's federal income tax
14 return on property for which the bonus
15 depreciation deduction (30% of the adjusted
16 basis of the qualified property) was taken in
17 any year under subsection (k) of Section 168 of
18 the Internal Revenue Code, but not including
19 the bonus depreciation deduction; and

20 (2) "x" equals "y" multiplied by 30 and
21 then divided by 70 (or "y" multiplied by
22 0.429).

23 The aggregate amount deducted under this
24 subparagraph in all taxable years for any one piece
25 of property may not exceed the amount of the bonus
26 depreciation deduction (30% of the adjusted basis of
27 the qualified property) taken on that property on
28 the taxpayer's federal income tax return under
29 subsection (k) of Section 168 of the Internal
30 Revenue Code; and

31 (AA) If the taxpayer reports a capital gain or
32 loss on the taxpayer's federal income tax return for
33 the taxable year based on a sale or transfer of
34 property for which the taxpayer was required in any

1 taxable year to make an addition modification under
2 subparagraph (D-15), then an amount equal to that
3 addition modification.

4 The taxpayer is allowed to take the deduction
5 under this subparagraph only once with respect to
6 any one piece of property; and

7 (BB) †Z‡ Any amount included in adjusted gross
8 income, other than salary, received by a driver in a
9 ridesharing arrangement using a motor vehicle; and

10 (CC) Beginning with tax years ending on or
11 after December 31, 2003 and ending with tax years
12 ending on or before December 30, 2008, an amount,
13 not to exceed \$1,200, equal to 15% of the total
14 amount of rent paid by the taxpayer during the year
15 for the principal place of residence of the
16 taxpayer.

17 (b) Corporations.

18 (1) In general. In the case of a corporation, base
19 income means an amount equal to the taxpayer's taxable
20 income for the taxable year as modified by paragraph (2).

21 (2) Modifications. The taxable income referred to
22 in paragraph (1) shall be modified by adding thereto the
23 sum of the following amounts:

24 (A) An amount equal to all amounts paid or
25 accrued to the taxpayer as interest and all
26 distributions received from regulated investment
27 companies during the taxable year to the extent
28 excluded from gross income in the computation of
29 taxable income;

30 (B) An amount equal to the amount of tax
31 imposed by this Act to the extent deducted from
32 gross income in the computation of taxable income
33 for the taxable year;

34 (C) In the case of a regulated investment

1 company, an amount equal to the excess of (i) the
2 net long-term capital gain for the taxable year,
3 over (ii) the amount of the capital gain dividends
4 designated as such in accordance with Section
5 852(b)(3)(C) of the Internal Revenue Code and any
6 amount designated under Section 852(b)(3)(D) of the
7 Internal Revenue Code, attributable to the taxable
8 year (this amendatory Act of 1995 (Public Act 89-89)
9 is declarative of existing law and is not a new
10 enactment);

11 (D) The amount of any net operating loss
12 deduction taken in arriving at taxable income, other
13 than a net operating loss carried forward from a
14 taxable year ending prior to December 31, 1986;

15 (E) For taxable years in which a net operating
16 loss carryback or carryforward from a taxable year
17 ending prior to December 31, 1986 is an element of
18 taxable income under paragraph (1) of subsection (e)
19 or subparagraph (E) of paragraph (2) of subsection
20 (e), the amount by which addition modifications
21 other than those provided by this subparagraph (E)
22 exceeded subtraction modifications in such earlier
23 taxable year, with the following limitations applied
24 in the order that they are listed:

25 (i) the addition modification relating to
26 the net operating loss carried back or forward
27 to the taxable year from any taxable year
28 ending prior to December 31, 1986 shall be
29 reduced by the amount of addition modification
30 under this subparagraph (E) which related to
31 that net operating loss and which was taken
32 into account in calculating the base income of
33 an earlier taxable year, and

34 (ii) the addition modification relating

1 to the net operating loss carried back or
2 forward to the taxable year from any taxable
3 year ending prior to December 31, 1986 shall
4 not exceed the amount of such carryback or
5 carryforward;

6 For taxable years in which there is a net
7 operating loss carryback or carryforward from more
8 than one other taxable year ending prior to December
9 31, 1986, the addition modification provided in this
10 subparagraph (E) shall be the sum of the amounts
11 computed independently under the preceding
12 provisions of this subparagraph (E) for each such
13 taxable year;

14 (E-5) For taxable years ending after December
15 31, 1997, an amount equal to any eligible
16 remediation costs that the corporation deducted in
17 computing adjusted gross income and for which the
18 corporation claims a credit under subsection (l) of
19 Section 201;

20 (E-10) For taxable years 2001 and thereafter,
21 an amount equal to the bonus depreciation deduction
22 (30% of the adjusted basis of the qualified
23 property) taken on the taxpayer's federal income tax
24 return for the taxable year under subsection (k) of
25 Section 168 of the Internal Revenue Code; and

26 (E-11) If the taxpayer reports a capital gain
27 or loss on the taxpayer's federal income tax return
28 for the taxable year based on a sale or transfer of
29 property for which the taxpayer was required in any
30 taxable year to make an addition modification under
31 subparagraph (E-10), then an amount equal to the
32 aggregate amount of the deductions taken in all
33 taxable years under subparagraph (T) with respect to
34 that property.†

1 The taxpayer is required to make the addition
2 modification under this subparagraph only once with
3 respect to any one piece of property;
4 and by deducting from the total so obtained the sum of
5 the following amounts:

6 (F) An amount equal to the amount of any tax
7 imposed by this Act which was refunded to the
8 taxpayer and included in such total for the taxable
9 year;

10 (G) An amount equal to any amount included in
11 such total under Section 78 of the Internal Revenue
12 Code;

13 (H) In the case of a regulated investment
14 company, an amount equal to the amount of exempt
15 interest dividends as defined in subsection (b) (5)
16 of Section 852 of the Internal Revenue Code, paid to
17 shareholders for the taxable year;

18 (I) With the exception of any amounts
19 subtracted under subparagraph (J), an amount equal
20 to the sum of all amounts disallowed as deductions
21 by (i) Sections 171(a) (2), and 265(a)(2) and
22 amounts disallowed as interest expense by Section
23 291(a)(3) of the Internal Revenue Code, as now or
24 hereafter amended, and all amounts of expenses
25 allocable to interest and disallowed as deductions
26 by Section 265(a)(1) of the Internal Revenue Code,
27 as now or hereafter amended; and (ii) for taxable
28 years ending on or after August 13, 1999, Sections
29 171(a)(2), 265, 280C, 291(a)(3), and 832(b)(5)(B)(i)
30 of the Internal Revenue Code; the provisions of this
31 subparagraph are exempt from the provisions of
32 Section 250;

33 (J) An amount equal to all amounts included in
34 such total which are exempt from taxation by this

1 State either by reason of its statutes or
2 Constitution or by reason of the Constitution,
3 treaties or statutes of the United States; provided
4 that, in the case of any statute of this State that
5 exempts income derived from bonds or other
6 obligations from the tax imposed under this Act, the
7 amount exempted shall be the interest net of bond
8 premium amortization;

9 (K) An amount equal to those dividends
10 included in such total which were paid by a
11 corporation which conducts business operations in an
12 Enterprise Zone or zones created under the Illinois
13 Enterprise Zone Act and conducts substantially all
14 of its operations in an Enterprise Zone or zones;

15 (L) An amount equal to those dividends
16 included in such total that were paid by a
17 corporation that conducts business operations in a
18 federally designated Foreign Trade Zone or Sub-Zone
19 and that is designated a High Impact Business
20 located in Illinois; provided that dividends
21 eligible for the deduction provided in subparagraph
22 (K) of paragraph 2 of this subsection shall not be
23 eligible for the deduction provided under this
24 subparagraph (L);

25 (M) For any taxpayer that is a financial
26 organization within the meaning of Section 304(c) of
27 this Act, an amount included in such total as
28 interest income from a loan or loans made by such
29 taxpayer to a borrower, to the extent that such a
30 loan is secured by property which is eligible for
31 the Enterprise Zone Investment Credit. To determine
32 the portion of a loan or loans that is secured by
33 property eligible for a Section 201(f) investment
34 credit to the borrower, the entire principal amount

1 of the loan or loans between the taxpayer and the
2 borrower should be divided into the basis of the
3 Section 201(f) investment credit property which
4 secures the loan or loans, using for this purpose
5 the original basis of such property on the date that
6 it was placed in service in the Enterprise Zone.
7 The subtraction modification available to taxpayer
8 in any year under this subsection shall be that
9 portion of the total interest paid by the borrower
10 with respect to such loan attributable to the
11 eligible property as calculated under the previous
12 sentence;

13 (M-1) For any taxpayer that is a financial
14 organization within the meaning of Section 304(c) of
15 this Act, an amount included in such total as
16 interest income from a loan or loans made by such
17 taxpayer to a borrower, to the extent that such a
18 loan is secured by property which is eligible for
19 the High Impact Business Investment Credit. To
20 determine the portion of a loan or loans that is
21 secured by property eligible for a Section 201(h)
22 investment credit to the borrower, the entire
23 principal amount of the loan or loans between the
24 taxpayer and the borrower should be divided into the
25 basis of the Section 201(h) investment credit
26 property which secures the loan or loans, using for
27 this purpose the original basis of such property on
28 the date that it was placed in service in a
29 federally designated Foreign Trade Zone or Sub-Zone
30 located in Illinois. No taxpayer that is eligible
31 for the deduction provided in subparagraph (M) of
32 paragraph (2) of this subsection shall be eligible
33 for the deduction provided under this subparagraph
34 (M-1). The subtraction modification available to

1 taxpayers in any year under this subsection shall be
2 that portion of the total interest paid by the
3 borrower with respect to such loan attributable to
4 the eligible property as calculated under the
5 previous sentence;

6 (N) Two times any contribution made during the
7 taxable year to a designated zone organization to
8 the extent that the contribution (i) qualifies as a
9 charitable contribution under subsection (c) of
10 Section 170 of the Internal Revenue Code and (ii)
11 must, by its terms, be used for a project approved
12 by the Department of Commerce and Community Affairs
13 under Section 11 of the Illinois Enterprise Zone
14 Act;

15 (O) An amount equal to: (i) 85% for taxable
16 years ending on or before December 31, 1992, or, a
17 percentage equal to the percentage allowable under
18 Section 243(a)(1) of the Internal Revenue Code of
19 1986 for taxable years ending after December 31,
20 1992, of the amount by which dividends included in
21 taxable income and received from a corporation that
22 is not created or organized under the laws of the
23 United States or any state or political subdivision
24 thereof, including, for taxable years ending on or
25 after December 31, 1988, dividends received or
26 deemed received or paid or deemed paid under
27 Sections 951 through 964 of the Internal Revenue
28 Code, exceed the amount of the modification provided
29 under subparagraph (G) of paragraph (2) of this
30 subsection (b) which is related to such dividends;
31 plus (ii) 100% of the amount by which dividends,
32 included in taxable income and received, including,
33 for taxable years ending on or after December 31,
34 1988, dividends received or deemed received or paid

1 or deemed paid under Sections 951 through 964 of the
2 Internal Revenue Code, from any such corporation
3 specified in clause (i) that would but for the
4 provisions of Section 1504 (b) (3) of the Internal
5 Revenue Code be treated as a member of the
6 affiliated group which includes the dividend
7 recipient, exceed the amount of the modification
8 provided under subparagraph (G) of paragraph (2) of
9 this subsection (b) which is related to such
10 dividends;

11 (P) An amount equal to any contribution made
12 to a job training project established pursuant to
13 the Tax Increment Allocation Redevelopment Act;

14 (Q) An amount equal to the amount of the
15 deduction used to compute the federal income tax
16 credit for restoration of substantial amounts held
17 under claim of right for the taxable year pursuant
18 to Section 1341 of the Internal Revenue Code of
19 1986;

20 (R) In the case of an attorney-in-fact with
21 respect to whom an interinsurer or a reciprocal
22 insurer has made the election under Section 835 of
23 the Internal Revenue Code, 26 U.S.C. 835, an amount
24 equal to the excess, if any, of the amounts paid or
25 incurred by that interinsurer or reciprocal insurer
26 in the taxable year to the attorney-in-fact over the
27 deduction allowed to that interinsurer or reciprocal
28 insurer with respect to the attorney-in-fact under
29 Section 835(b) of the Internal Revenue Code for the
30 taxable year;

31 (S) For taxable years ending on or after
32 December 31, 1997, in the case of a Subchapter S
33 corporation, an amount equal to all amounts of
34 income allocable to a shareholder subject to the

1 Personal Property Tax Replacement Income Tax imposed
2 by subsections (c) and (d) of Section 201 of this
3 Act, including amounts allocable to organizations
4 exempt from federal income tax by reason of Section
5 501(a) of the Internal Revenue Code. This
6 subparagraph (S) is exempt from the provisions of
7 Section 250;

8 (T) For taxable years 2001 and thereafter, for
9 the taxable year in which the bonus depreciation
10 deduction (30% of the adjusted basis of the
11 qualified property) is taken on the taxpayer's
12 federal income tax return under subsection (k) of
13 Section 168 of the Internal Revenue Code and for
14 each applicable taxable year thereafter, an amount
15 equal to "x", where:

16 (1) "y" equals the amount of the
17 depreciation deduction taken for the taxable
18 year on the taxpayer's federal income tax
19 return on property for which the bonus
20 depreciation deduction (30% of the adjusted
21 basis of the qualified property) was taken in
22 any year under subsection (k) of Section 168 of
23 the Internal Revenue Code, but not including
24 the bonus depreciation deduction; and

25 (2) "x" equals "y" multiplied by 30 and
26 then divided by 70 (or "y" multiplied by
27 0.429).

28 The aggregate amount deducted under this
29 subparagraph in all taxable years for any one piece
30 of property may not exceed the amount of the bonus
31 depreciation deduction (30% of the adjusted basis of
32 the qualified property) taken on that property on
33 the taxpayer's federal income tax return under
34 subsection (k) of Section 168 of the Internal

1 Revenue Code; and

2 (U) If the taxpayer reports a capital gain or
3 loss on the taxpayer's federal income tax return for
4 the taxable year based on a sale or transfer of
5 property for which the taxpayer was required in any
6 taxable year to make an addition modification under
7 subparagraph (E-10), then an amount equal to that
8 addition modification.

9 The taxpayer is allowed to take the deduction
10 under this subparagraph only once with respect to
11 any one piece of property.

12 (3) Special rule. For purposes of paragraph (2)
13 (A), "gross income" in the case of a life insurance
14 company, for tax years ending on and after December 31,
15 1994, shall mean the gross investment income for the
16 taxable year.

17 (c) Trusts and estates.

18 (1) In general. In the case of a trust or estate,
19 base income means an amount equal to the taxpayer's
20 taxable income for the taxable year as modified by
21 paragraph (2).

22 (2) Modifications. Subject to the provisions of
23 paragraph (3), the taxable income referred to in
24 paragraph (1) shall be modified by adding thereto the sum
25 of the following amounts:

26 (A) An amount equal to all amounts paid or
27 accrued to the taxpayer as interest or dividends
28 during the taxable year to the extent excluded from
29 gross income in the computation of taxable income;

30 (B) In the case of (i) an estate, \$600; (ii) a
31 trust which, under its governing instrument, is
32 required to distribute all of its income currently,
33 \$300; and (iii) any other trust, \$100, but in each
34 such case, only to the extent such amount was

1 deducted in the computation of taxable income;

2 (C) An amount equal to the amount of tax
3 imposed by this Act to the extent deducted from
4 gross income in the computation of taxable income
5 for the taxable year;

6 (D) The amount of any net operating loss
7 deduction taken in arriving at taxable income, other
8 than a net operating loss carried forward from a
9 taxable year ending prior to December 31, 1986;

10 (E) For taxable years in which a net operating
11 loss carryback or carryforward from a taxable year
12 ending prior to December 31, 1986 is an element of
13 taxable income under paragraph (1) of subsection (e)
14 or subparagraph (E) of paragraph (2) of subsection
15 (e), the amount by which addition modifications
16 other than those provided by this subparagraph (E)
17 exceeded subtraction modifications in such taxable
18 year, with the following limitations applied in the
19 order that they are listed:

20 (i) the addition modification relating to
21 the net operating loss carried back or forward
22 to the taxable year from any taxable year
23 ending prior to December 31, 1986 shall be
24 reduced by the amount of addition modification
25 under this subparagraph (E) which related to
26 that net operating loss and which was taken
27 into account in calculating the base income of
28 an earlier taxable year, and

29 (ii) the addition modification relating
30 to the net operating loss carried back or
31 forward to the taxable year from any taxable
32 year ending prior to December 31, 1986 shall
33 not exceed the amount of such carryback or
34 carryforward;

1 For taxable years in which there is a net
2 operating loss carryback or carryforward from more
3 than one other taxable year ending prior to December
4 31, 1986, the addition modification provided in this
5 subparagraph (E) shall be the sum of the amounts
6 computed independently under the preceding
7 provisions of this subparagraph (E) for each such
8 taxable year;

9 (F) For taxable years ending on or after
10 January 1, 1989, an amount equal to the tax deducted
11 pursuant to Section 164 of the Internal Revenue Code
12 if the trust or estate is claiming the same tax for
13 purposes of the Illinois foreign tax credit under
14 Section 601 of this Act;

15 (G) An amount equal to the amount of the
16 capital gain deduction allowable under the Internal
17 Revenue Code, to the extent deducted from gross
18 income in the computation of taxable income;

19 (G-5) For taxable years ending after December
20 31, 1997, an amount equal to any eligible
21 remediation costs that the trust or estate deducted
22 in computing adjusted gross income and for which the
23 trust or estate claims a credit under subsection (l)
24 of Section 201;

25 (G-10) For taxable years 2001 and thereafter,
26 an amount equal to the bonus depreciation deduction
27 (30% of the adjusted basis of the qualified
28 property) taken on the taxpayer's federal income tax
29 return for the taxable year under subsection (k) of
30 Section 168 of the Internal Revenue Code; and

31 (G-11) If the taxpayer reports a capital gain
32 or loss on the taxpayer's federal income tax return
33 for the taxable year based on a sale or transfer of
34 property for which the taxpayer was required in any

1 taxable year to make an addition modification under
2 subparagraph (G-10), then an amount equal to the
3 aggregate amount of the deductions taken in all
4 taxable years under subparagraph (R) with respect to
5 that property.†

6 The taxpayer is required to make the addition
7 modification under this subparagraph only once with
8 respect to any one piece of property;

9 and by deducting from the total so obtained the sum of
10 the following amounts:

11 (H) An amount equal to all amounts included in
12 such total pursuant to the provisions of Sections
13 402(a), 402(c), 403(a), 403(b), 406(a), 407(a) and
14 408 of the Internal Revenue Code or included in such
15 total as distributions under the provisions of any
16 retirement or disability plan for employees of any
17 governmental agency or unit, or retirement payments
18 to retired partners, which payments are excluded in
19 computing net earnings from self employment by
20 Section 1402 of the Internal Revenue Code and
21 regulations adopted pursuant thereto;

22 (I) The valuation limitation amount;

23 (J) An amount equal to the amount of any tax
24 imposed by this Act which was refunded to the
25 taxpayer and included in such total for the taxable
26 year;

27 (K) An amount equal to all amounts included in
28 taxable income as modified by subparagraphs (A),
29 (B), (C), (D), (E), (F) and (G) which are exempt
30 from taxation by this State either by reason of its
31 statutes or Constitution or by reason of the
32 Constitution, treaties or statutes of the United
33 States; provided that, in the case of any statute of
34 this State that exempts income derived from bonds or

1 other obligations from the tax imposed under this
2 Act, the amount exempted shall be the interest net
3 of bond premium amortization;

4 (L) With the exception of any amounts
5 subtracted under subparagraph (K), an amount equal
6 to the sum of all amounts disallowed as deductions
7 by (i) Sections 171(a) (2) and 265(a)(2) of the
8 Internal Revenue Code, as now or hereafter amended,
9 and all amounts of expenses allocable to interest
10 and disallowed as deductions by Section 265(1) of
11 the Internal Revenue Code of 1954, as now or
12 hereafter amended; and (ii) for taxable years ending
13 on or after August 13, 1999, Sections 171(a)(2),
14 265, 280C, and 832(b)(5)(B)(i) of the Internal
15 Revenue Code; the provisions of this subparagraph
16 are exempt from the provisions of Section 250;

17 (M) An amount equal to those dividends
18 included in such total which were paid by a
19 corporation which conducts business operations in an
20 Enterprise Zone or zones created under the Illinois
21 Enterprise Zone Act and conducts substantially all
22 of its operations in an Enterprise Zone or Zones;

23 (N) An amount equal to any contribution made
24 to a job training project established pursuant to
25 the Tax Increment Allocation Redevelopment Act;

26 (O) An amount equal to those dividends
27 included in such total that were paid by a
28 corporation that conducts business operations in a
29 federally designated Foreign Trade Zone or Sub-Zone
30 and that is designated a High Impact Business
31 located in Illinois; provided that dividends
32 eligible for the deduction provided in subparagraph
33 (M) of paragraph (2) of this subsection shall not be
34 eligible for the deduction provided under this

1 subparagraph (O);

2 (P) An amount equal to the amount of the
3 deduction used to compute the federal income tax
4 credit for restoration of substantial amounts held
5 under claim of right for the taxable year pursuant
6 to Section 1341 of the Internal Revenue Code of
7 1986;

8 (Q) For taxable year 1999 and thereafter, an
9 amount equal to the amount of any (i) distributions,
10 to the extent includible in gross income for federal
11 income tax purposes, made to the taxpayer because of
12 his or her status as a victim of persecution for
13 racial or religious reasons by Nazi Germany or any
14 other Axis regime or as an heir of the victim and
15 (ii) items of income, to the extent includible in
16 gross income for federal income tax purposes,
17 attributable to, derived from or in any way related
18 to assets stolen from, hidden from, or otherwise
19 lost to a victim of persecution for racial or
20 religious reasons by Nazi Germany or any other Axis
21 regime immediately prior to, during, and immediately
22 after World War II, including, but not limited to,
23 interest on the proceeds receivable as insurance
24 under policies issued to a victim of persecution for
25 racial or religious reasons by Nazi Germany or any
26 other Axis regime by European insurance companies
27 immediately prior to and during World War II;
28 provided, however, this subtraction from federal
29 adjusted gross income does not apply to assets
30 acquired with such assets or with the proceeds from
31 the sale of such assets; provided, further, this
32 paragraph shall only apply to a taxpayer who was the
33 first recipient of such assets after their recovery
34 and who is a victim of persecution for racial or

1 religious reasons by Nazi Germany or any other Axis
2 regime or as an heir of the victim. The amount of
3 and the eligibility for any public assistance,
4 benefit, or similar entitlement is not affected by
5 the inclusion of items (i) and (ii) of this
6 paragraph in gross income for federal income tax
7 purposes. This paragraph is exempt from the
8 provisions of Section 250;

9 (R) For taxable years 2001 and thereafter, for
10 the taxable year in which the bonus depreciation
11 deduction (30% of the adjusted basis of the
12 qualified property) is taken on the taxpayer's
13 federal income tax return under subsection (k) of
14 Section 168 of the Internal Revenue Code and for
15 each applicable taxable year thereafter, an amount
16 equal to "x", where:

17 (1) "y" equals the amount of the
18 depreciation deduction taken for the taxable
19 year on the taxpayer's federal income tax
20 return on property for which the bonus
21 depreciation deduction (30% of the adjusted
22 basis of the qualified property) was taken in
23 any year under subsection (k) of Section 168 of
24 the Internal Revenue Code, but not including
25 the bonus depreciation deduction; and

26 (2) "x" equals "y" multiplied by 30 and
27 then divided by 70 (or "y" multiplied by
28 0.429).

29 The aggregate amount deducted under this
30 subparagraph in all taxable years for any one piece
31 of property may not exceed the amount of the bonus
32 depreciation deduction (30% of the adjusted basis of
33 the qualified property) taken on that property on
34 the taxpayer's federal income tax return under

1 subsection (k) of Section 168 of the Internal
2 Revenue Code; and

3 (S) If the taxpayer reports a capital gain or
4 loss on the taxpayer's federal income tax return for
5 the taxable year based on a sale or transfer of
6 property for which the taxpayer was required in any
7 taxable year to make an addition modification under
8 subparagraph (G-10), then an amount equal to that
9 addition modification.

10 The taxpayer is allowed to take the deduction
11 under this subparagraph only once with respect to
12 any one piece of property.

13 (3) Limitation. The amount of any modification
14 otherwise required under this subsection shall, under
15 regulations prescribed by the Department, be adjusted by
16 any amounts included therein which were properly paid,
17 credited, or required to be distributed, or permanently
18 set aside for charitable purposes pursuant to Internal
19 Revenue Code Section 642(c) during the taxable year.

20 (d) Partnerships.

21 (1) In general. In the case of a partnership, base
22 income means an amount equal to the taxpayer's taxable
23 income for the taxable year as modified by paragraph (2).

24 (2) Modifications. The taxable income referred to
25 in paragraph (1) shall be modified by adding thereto the
26 sum of the following amounts:

27 (A) An amount equal to all amounts paid or
28 accrued to the taxpayer as interest or dividends
29 during the taxable year to the extent excluded from
30 gross income in the computation of taxable income;

31 (B) An amount equal to the amount of tax
32 imposed by this Act to the extent deducted from
33 gross income for the taxable year;

34 (C) The amount of deductions allowed to the

1 partnership pursuant to Section 707 (c) of the
2 Internal Revenue Code in calculating its taxable
3 income;

4 (D) An amount equal to the amount of the
5 capital gain deduction allowable under the Internal
6 Revenue Code, to the extent deducted from gross
7 income in the computation of taxable income;

8 (D-5) For taxable years 2001 and thereafter,
9 an amount equal to the bonus depreciation deduction
10 (30% of the adjusted basis of the qualified
11 property) taken on the taxpayer's federal income tax
12 return for the taxable year under subsection (k) of
13 Section 168 of the Internal Revenue Code; and

14 (D-6) If the taxpayer reports a capital gain
15 or loss on the taxpayer's federal income tax return
16 for the taxable year based on a sale or transfer of
17 property for which the taxpayer was required in any
18 taxable year to make an addition modification under
19 subparagraph (D-5), then an amount equal to the
20 aggregate amount of the deductions taken in all
21 taxable years under subparagraph (D) with respect to
22 that property.†

23 The taxpayer is required to make the addition
24 modification under this subparagraph only once with
25 respect to any one piece of property;

26 and by deducting from the total so obtained the following
27 amounts:

28 (E) The valuation limitation amount;

29 (F) An amount equal to the amount of any tax
30 imposed by this Act which was refunded to the
31 taxpayer and included in such total for the taxable
32 year;

33 (G) An amount equal to all amounts included in
34 taxable income as modified by subparagraphs (A),

1 (B), (C) and (D) which are exempt from taxation by
2 this State either by reason of its statutes or
3 Constitution or by reason of the Constitution,
4 treaties or statutes of the United States; provided
5 that, in the case of any statute of this State that
6 exempts income derived from bonds or other
7 obligations from the tax imposed under this Act, the
8 amount exempted shall be the interest net of bond
9 premium amortization;

10 (H) Any income of the partnership which
11 constitutes personal service income as defined in
12 Section 1348 (b) (1) of the Internal Revenue Code
13 (as in effect December 31, 1981) or a reasonable
14 allowance for compensation paid or accrued for
15 services rendered by partners to the partnership,
16 whichever is greater;

17 (I) An amount equal to all amounts of income
18 distributable to an entity subject to the Personal
19 Property Tax Replacement Income Tax imposed by
20 subsections (c) and (d) of Section 201 of this Act
21 including amounts distributable to organizations
22 exempt from federal income tax by reason of Section
23 501(a) of the Internal Revenue Code;

24 (J) With the exception of any amounts
25 subtracted under subparagraph (G), an amount equal
26 to the sum of all amounts disallowed as deductions
27 by (i) Sections 171(a) (2), and 265(2) of the
28 Internal Revenue Code of 1954, as now or hereafter
29 amended, and all amounts of expenses allocable to
30 interest and disallowed as deductions by Section
31 265(1) of the Internal Revenue Code, as now or
32 hereafter amended; and (ii) for taxable years ending
33 on or after August 13, 1999, Sections 171(a)(2),
34 265, 280C, and 832(b)(5)(B)(i) of the Internal

1 Revenue Code; the provisions of this subparagraph
2 are exempt from the provisions of Section 250;

3 (K) An amount equal to those dividends
4 included in such total which were paid by a
5 corporation which conducts business operations in an
6 Enterprise Zone or zones created under the Illinois
7 Enterprise Zone Act, enacted by the 82nd General
8 Assembly, and conducts substantially all of its
9 operations in an Enterprise Zone or Zones;

10 (L) An amount equal to any contribution made
11 to a job training project established pursuant to
12 the Real Property Tax Increment Allocation
13 Redevelopment Act;

14 (M) An amount equal to those dividends
15 included in such total that were paid by a
16 corporation that conducts business operations in a
17 federally designated Foreign Trade Zone or Sub-Zone
18 and that is designated a High Impact Business
19 located in Illinois; provided that dividends
20 eligible for the deduction provided in subparagraph
21 (K) of paragraph (2) of this subsection shall not be
22 eligible for the deduction provided under this
23 subparagraph (M);

24 (N) An amount equal to the amount of the
25 deduction used to compute the federal income tax
26 credit for restoration of substantial amounts held
27 under claim of right for the taxable year pursuant
28 to Section 1341 of the Internal Revenue Code of
29 1986;

30 (O) For taxable years 2001 and thereafter, for
31 the taxable year in which the bonus depreciation
32 deduction (30% of the adjusted basis of the
33 qualified property) is taken on the taxpayer's
34 federal income tax return under subsection (k) of

1 Section 168 of the Internal Revenue Code and for
2 each applicable taxable year thereafter, an amount
3 equal to "x", where:

4 (1) "y" equals the amount of the
5 depreciation deduction taken for the taxable
6 year on the taxpayer's federal income tax
7 return on property for which the bonus
8 depreciation deduction (30% of the adjusted
9 basis of the qualified property) was taken in
10 any year under subsection (k) of Section 168 of
11 the Internal Revenue Code, but not including
12 the bonus depreciation deduction; and

13 (2) "x" equals "y" multiplied by 30 and
14 then divided by 70 (or "y" multiplied by
15 0.429).

16 The aggregate amount deducted under this
17 subparagraph in all taxable years for any one piece
18 of property may not exceed the amount of the bonus
19 depreciation deduction (30% of the adjusted basis of
20 the qualified property) taken on that property on
21 the taxpayer's federal income tax return under
22 subsection (k) of Section 168 of the Internal
23 Revenue Code; and

24 (P) If the taxpayer reports a capital gain or
25 loss on the taxpayer's federal income tax return for
26 the taxable year based on a sale or transfer of
27 property for which the taxpayer was required in any
28 taxable year to make an addition modification under
29 subparagraph (D-5), then an amount equal to that
30 addition modification.

31 The taxpayer is allowed to take the deduction
32 under this subparagraph only once with respect to
33 any one piece of property.

34 (e) Gross income; adjusted gross income; taxable income.

1 (1) In general. Subject to the provisions of
2 paragraph (2) and subsection (b) (3), for purposes of
3 this Section and Section 803(e), a taxpayer's gross
4 income, adjusted gross income, or taxable income for the
5 taxable year shall mean the amount of gross income,
6 adjusted gross income or taxable income properly
7 reportable for federal income tax purposes for the
8 taxable year under the provisions of the Internal Revenue
9 Code. Taxable income may be less than zero. However, for
10 taxable years ending on or after December 31, 1986, net
11 operating loss carryforwards from taxable years ending
12 prior to December 31, 1986, may not exceed the sum of
13 federal taxable income for the taxable year before net
14 operating loss deduction, plus the excess of addition
15 modifications over subtraction modifications for the
16 taxable year. For taxable years ending prior to December
17 31, 1986, taxable income may never be an amount in excess
18 of the net operating loss for the taxable year as defined
19 in subsections (c) and (d) of Section 172 of the Internal
20 Revenue Code, provided that when taxable income of a
21 corporation (other than a Subchapter S corporation),
22 trust, or estate is less than zero and addition
23 modifications, other than those provided by subparagraph
24 (E) of paragraph (2) of subsection (b) for corporations
25 or subparagraph (E) of paragraph (2) of subsection (c)
26 for trusts and estates, exceed subtraction modifications,
27 an addition modification must be made under those
28 subparagraphs for any other taxable year to which the
29 taxable income less than zero (net operating loss) is
30 applied under Section 172 of the Internal Revenue Code or
31 under subparagraph (E) of paragraph (2) of this
32 subsection (e) applied in conjunction with Section 172 of
33 the Internal Revenue Code.

34 (2) Special rule. For purposes of paragraph (1) of

1 this subsection, the taxable income properly reportable
2 for federal income tax purposes shall mean:

3 (A) Certain life insurance companies. In the
4 case of a life insurance company subject to the tax
5 imposed by Section 801 of the Internal Revenue Code,
6 life insurance company taxable income, plus the
7 amount of distribution from pre-1984 policyholder
8 surplus accounts as calculated under Section 815a of
9 the Internal Revenue Code;

10 (B) Certain other insurance companies. In the
11 case of mutual insurance companies subject to the
12 tax imposed by Section 831 of the Internal Revenue
13 Code, insurance company taxable income;

14 (C) Regulated investment companies. In the
15 case of a regulated investment company subject to
16 the tax imposed by Section 852 of the Internal
17 Revenue Code, investment company taxable income;

18 (D) Real estate investment trusts. In the
19 case of a real estate investment trust subject to
20 the tax imposed by Section 857 of the Internal
21 Revenue Code, real estate investment trust taxable
22 income;

23 (E) Consolidated corporations. In the case of
24 a corporation which is a member of an affiliated
25 group of corporations filing a consolidated income
26 tax return for the taxable year for federal income
27 tax purposes, taxable income determined as if such
28 corporation had filed a separate return for federal
29 income tax purposes for the taxable year and each
30 preceding taxable year for which it was a member of
31 an affiliated group. For purposes of this
32 subparagraph, the taxpayer's separate taxable income
33 shall be determined as if the election provided by
34 Section 243(b) (2) of the Internal Revenue Code had

1 been in effect for all such years;

2 (F) Cooperatives. In the case of a
3 cooperative corporation or association, the taxable
4 income of such organization determined in accordance
5 with the provisions of Section 1381 through 1388 of
6 the Internal Revenue Code;

7 (G) Subchapter S corporations. In the case
8 of: (i) a Subchapter S corporation for which there
9 is in effect an election for the taxable year under
10 Section 1362 of the Internal Revenue Code, the
11 taxable income of such corporation determined in
12 accordance with Section 1363(b) of the Internal
13 Revenue Code, except that taxable income shall take
14 into account those items which are required by
15 Section 1363(b)(1) of the Internal Revenue Code to
16 be separately stated; and (ii) a Subchapter S
17 corporation for which there is in effect a federal
18 election to opt out of the provisions of the
19 Subchapter S Revision Act of 1982 and have applied
20 instead the prior federal Subchapter S rules as in
21 effect on July 1, 1982, the taxable income of such
22 corporation determined in accordance with the
23 federal Subchapter S rules as in effect on July 1,
24 1982; and

25 (H) Partnerships. In the case of a
26 partnership, taxable income determined in accordance
27 with Section 703 of the Internal Revenue Code,
28 except that taxable income shall take into account
29 those items which are required by Section 703(a)(1)
30 to be separately stated but which would be taken
31 into account by an individual in calculating his
32 taxable income.

33 (f) Valuation limitation amount.

34 (1) In general. The valuation limitation amount

1 referred to in subsections (a) (2) (G), (c) (2) (I) and
2 (d)(2) (E) is an amount equal to:

3 (A) The sum of the pre-August 1, 1969
4 appreciation amounts (to the extent consisting of
5 gain reportable under the provisions of Section 1245
6 or 1250 of the Internal Revenue Code) for all
7 property in respect of which such gain was reported
8 for the taxable year; plus

9 (B) The lesser of (i) the sum of the
10 pre-August 1, 1969 appreciation amounts (to the
11 extent consisting of capital gain) for all property
12 in respect of which such gain was reported for
13 federal income tax purposes for the taxable year, or
14 (ii) the net capital gain for the taxable year,
15 reduced in either case by any amount of such gain
16 included in the amount determined under subsection
17 (a) (2) (F) or (c) (2) (H).

18 (2) Pre-August 1, 1969 appreciation amount.

19 (A) If the fair market value of property
20 referred to in paragraph (1) was readily
21 ascertainable on August 1, 1969, the pre-August 1,
22 1969 appreciation amount for such property is the
23 lesser of (i) the excess of such fair market value
24 over the taxpayer's basis (for determining gain) for
25 such property on that date (determined under the
26 Internal Revenue Code as in effect on that date), or
27 (ii) the total gain realized and reportable for
28 federal income tax purposes in respect of the sale,
29 exchange or other disposition of such property.

30 (B) If the fair market value of property
31 referred to in paragraph (1) was not readily
32 ascertainable on August 1, 1969, the pre-August 1,
33 1969 appreciation amount for such property is that
34 amount which bears the same ratio to the total gain

1 reported in respect of the property for federal
2 income tax purposes for the taxable year, as the
3 number of full calendar months in that part of the
4 taxpayer's holding period for the property ending
5 July 31, 1969 bears to the number of full calendar
6 months in the taxpayer's entire holding period for
7 the property.

8 (C) The Department shall prescribe such
9 regulations as may be necessary to carry out the
10 purposes of this paragraph.

11 (g) Double deductions. Unless specifically provided
12 otherwise, nothing in this Section shall permit the same item
13 to be deducted more than once.

14 (h) Legislative intention. Except as expressly provided
15 by this Section there shall be no modifications or
16 limitations on the amounts of income, gain, loss or deduction
17 taken into account in determining gross income, adjusted
18 gross income or taxable income for federal income tax
19 purposes for the taxable year, or in the amount of such items
20 entering into the computation of base income and net income
21 under this Act for such taxable year, whether in respect of
22 property values as of August 1, 1969 or otherwise.

23 (Source: P.A. 91-192, eff. 7-20-99; 91-205, eff. 7-20-99;
24 91-357, eff. 7-29-99; 91-541, eff. 8-13-99; 91-676, eff.
25 12-23-99; 91-845, eff. 6-22-00; 91-913, eff. 1-1-01; 92-16,
26 eff. 6-28-01; 92-244, eff. 8-3-01; 92-439, eff. 8-17-01;
27 92-603, eff. 6-28-02; 92-626, eff. 7-11-02; 92-651, eff.
28 7-11-02; 92-846, eff. 8-23-02; revised 11-15-02.)

29 (35 ILCS 5/804) (from Ch. 120, par. 8-804)
30 Sec. 804. Failure to Pay Estimated Tax.

31 (a) In general. In case of any underpayment of estimated
32 tax by a taxpayer, except as provided in subsection (d) or

1 (e), the taxpayer shall be liable to a penalty in an amount
2 determined at the rate prescribed by Section 3-3 of the
3 Uniform Penalty and Interest Act upon the amount of the
4 underpayment (determined under subsection (b)) for each
5 required installment.

6 (b) Amount of underpayment. For purposes of subsection
7 (a), the amount of the underpayment shall be the excess of:

8 (1) the amount of the installment which would be
9 required to be paid under subsection (c), over

10 (2) the amount, if any, of the installment paid on
11 or before the last date prescribed for payment.

12 (c) Amount of Required Installments.

13 (1) Amount.

14 (A) In General. Except as provided in
15 paragraph (2), the amount of any required
16 installment shall be 25% of the required annual
17 payment.

18 (B) Required Annual Payment. For purposes of
19 subparagraph (A), the term "required annual payment"
20 means the lesser of

21 (i) 90% of the tax shown on the return
22 for the taxable year, or if no return is filed,
23 90% of the tax for such year, or

24 (ii) 100% of the tax shown on the return
25 of the taxpayer for the preceding taxable year
26 if a return showing a liability for tax was
27 filed by the taxpayer for the preceding taxable
28 year and such preceding year was a taxable year
29 of 12 months.

30 (2) Lower Required Installment where Annualized
31 Income Installment is Less Than Amount Determined Under
32 Paragraph (1).

33 (A) In General. In the case of any required
34 installment if a taxpayer establishes that the

1 annualized income installment is less than the
2 amount determined under paragraph (1),

3 (i) the amount of such required
4 installment shall be the annualized income
5 installment, and

6 (ii) any reduction in a required
7 installment resulting from the application of
8 this subparagraph shall be recaptured by
9 increasing the amount of the next required
10 installment determined under paragraph (1) by
11 the amount of such reduction, and by increasing
12 subsequent required installments to the extent
13 that the reduction has not previously been
14 recaptured under this clause.

15 (B) Determination of Annualized Income
16 Installment. In the case of any required
17 installment, the annualized income installment is
18 the excess, if any, of

19 (i) an amount equal to the applicable
20 percentage of the tax for the taxable year
21 computed by placing on an annualized basis the
22 net income for months in the taxable year
23 ending before the due date for the installment,
24 over

25 (ii) the aggregate amount of any prior
26 required installments for the taxable year.

27 (C) Applicable Percentage.

28	In the case of the following	The applicable
29	required installments:	percentage is:
30	1st	22.5%
31	2nd	45%
32	3rd	67.5%
33	4th	90%

34 (D) Annualized Net Income; Individuals. For

1 individuals, net income shall be placed on an
2 annualized basis by:

3 (i) multiplying by 12, or in the case of
4 a taxable year of less than 12 months, by the
5 number of months in the taxable year, the net
6 income computed without regard to the standard
7 exemption for the months in the taxable year
8 ending before the month in which the
9 installment is required to be paid;

10 (ii) dividing the resulting amount by the
11 number of months in the taxable year ending
12 before the month in which such installment date
13 falls; and

14 (iii) deducting from such amount the
15 standard exemption allowable for the taxable
16 year, such standard exemption being determined
17 as of the last date prescribed for payment of
18 the installment.

19 (E) Annualized Net Income; Corporations. For
20 corporations, net income shall be placed on an
21 annualized basis by multiplying by 12 the taxable
22 income

23 (i) for the first 3 months of the taxable
24 year, in the case of the installment required
25 to be paid in the 4th month,

26 (ii) for the first 3 months or for the
27 first 5 months of the taxable year, in the case
28 of the installment required to be paid in the
29 6th month,

30 (iii) for the first 6 months or for the
31 first 8 months of the taxable year, in the case
32 of the installment required to be paid in the
33 9th month, and

34 (iv) for the first 9 months or for the

1 first 11 months of the taxable year, in the
2 case of the installment required to be paid in
3 the 12th month of the taxable year,
4 then dividing the resulting amount by the number of
5 months in the taxable year (3, 5, 6, 8, 9, or 11 as
6 the case may be).

7 (d) Exceptions. Notwithstanding the provisions of the
8 preceding subsections, the penalty imposed by subsection (a)
9 shall not be imposed if the taxpayer was not required to file
10 an Illinois income tax return for the preceding taxable year,
11 or if the taxpayer has underpaid taxes solely because of the
12 increased rate in effect during the period from July 1, 2003
13 through December 31, 2003, or, for individuals, if the
14 taxpayer had no tax liability for the preceding taxable year
15 and such year was a taxable year of 12 months. The penalty
16 imposed by subsection (a) shall also not be imposed on any
17 underpayments of estimated tax due before the effective date
18 of this amendatory Act of 1998 which underpayments are solely
19 attributable to the change in apportionment from subsection
20 (a) to subsection (h) of Section 304. The provisions of this
21 amendatory Act of 1998 apply to tax years ending on or after
22 December 31, 1998.

23 (e) The penalty imposed for underpayment of estimated
24 tax by subsection (a) of this Section shall not be imposed to
25 the extent that the Department or his designate determines,
26 pursuant to Section 3-8 of the Uniform Penalty and Interest
27 Act that the penalty should not be imposed.

28 (f) Definition of tax. For purposes of subsections (b)
29 and (c), the term "tax" means the excess of the tax imposed
30 under Article 2 of this Act, over the amounts credited
31 against such tax under Sections 601(b) (3) and (4).

32 (g) Application of Section in case of tax withheld on
33 compensation. For purposes of applying this Section in the
34 case of an individual, tax withheld under Article 7 for the

1 taxable year shall be deemed a payment of estimated tax, and
2 an equal part of such amount shall be deemed paid on each
3 installment date for such taxable year, unless the taxpayer
4 establishes the dates on which all amounts were actually
5 withheld, in which case the amounts so withheld shall be
6 deemed payments of estimated tax on the dates on which such
7 amounts were actually withheld.

8 (g-5) Amounts withheld under the State Salary and
9 Annuity Withholding Act. An individual who has amounts
10 withheld under paragraph (10) of Section 4 of the State
11 Salary and Annuity Withholding Act may elect to have those
12 amounts treated as payments of estimated tax made on the
13 dates on which those amounts are actually withheld.

14 (i) Short taxable year. The application of this Section
15 to taxable years of less than 12 months shall be in
16 accordance with regulations prescribed by the Department.

17 The changes in this Section made by Public Act 84-127
18 shall apply to taxable years ending on or after January 1,
19 1986.

20 (Source: P.A. 90-448, eff. 8-16-97; 90-613, eff. 7-9-98.)

21 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

22 Sec. 901. Collection Authority.

23 (a) In general.

24 The Department shall collect the taxes imposed by this
25 Act. The Department shall collect certified past due child
26 support amounts under Section 2505-650 of the Department of
27 Revenue Law (20 ILCS 2505/2505-650). Except as provided in
28 subsections (c) and (e) of this Section, money collected
29 pursuant to subsections (a) and (b) of Section 201 of this
30 Act shall be paid into the General Revenue Fund in the State
31 treasury; money collected pursuant to subsections (c) and (d)
32 of Section 201 of this Act shall be paid into the Personal
33 Property Tax Replacement Fund, a special fund in the State

1 Treasury; and money collected under Section 2505-650 of the
2 Department of Revenue Law (20 ILCS 2505/2505-650) shall be
3 paid into the Child Support Enforcement Trust Fund, a special
4 fund outside the State Treasury, or to the State Disbursement
5 Unit established under Section 10-26 of the Illinois Public
6 Aid Code, as directed by the Department of Public Aid.

7 (b) Local Governmental Distributive Fund.

8 Beginning August 1, 1969, and continuing through June 30,
9 1994, the Treasurer shall transfer each month from the
10 General Revenue Fund to a special fund in the State treasury,
11 to be known as the "Local Government Distributive Fund", an
12 amount equal to 1/12 of the net revenue realized from the tax
13 imposed by subsections (a) and (b) of Section 201 of this Act
14 during the preceding month. Beginning July 1, 1994, and
15 continuing through June 30, 1995, the Treasurer shall
16 transfer each month from the General Revenue Fund to the
17 Local Government Distributive Fund an amount equal to 1/11 of
18 the net revenue realized from the tax imposed by subsections
19 (a) and (b) of Section 201 of this Act during the preceding
20 month. Beginning July 1, 1995, the Treasurer shall transfer
21 each month from the General Revenue Fund to the Local
22 Government Distributive Fund an amount equal to 1/10 of the
23 net revenue realized from the tax imposed by subsections (a)
24 and (b) of Section 201 of the Illinois Income Tax Act during
25 the preceding month. Net revenue realized for a month shall
26 be defined as the revenue from the tax imposed by subsections
27 (a) and (b) of Section 201 of this Act which is deposited in
28 the General Revenue Fund, the Educational Assistance Fund and
29 the Income Tax Surcharge Local Government Distributive Fund
30 during the month (but not including revenue attributable to
31 the increase in tax rates imposed under this amendatory Act
32 of the 93rd General Assembly) minus the amount paid out of
33 the General Revenue Fund in State warrants during that same
34 month as refunds to taxpayers for overpayment of liability

1 under the tax imposed by subsections (a) and (b) of Section
2 201 of this Act.

3 (c) Deposits Into Income Tax Refund Fund.

4 (1) Beginning on January 1, 1989 and thereafter,
5 the Department shall deposit a percentage of the amounts
6 collected pursuant to subsections (a) and (b)(1), (2),
7 and (3), (4), and (5) of Section 201 of this Act into a
8 fund in the State treasury known as the Income Tax Refund
9 Fund. The Department shall deposit 6% of such amounts
10 during the period beginning January 1, 1989 and ending on
11 June 30, 1989. Beginning with State fiscal year 1990 and
12 for each fiscal year thereafter, the percentage deposited
13 into the Income Tax Refund Fund during a fiscal year
14 shall be the Annual Percentage. For fiscal years 1999
15 through 2001, the Annual Percentage shall be 7.1%. For
16 fiscal year 2003, the Annual Percentage shall be 8%. For
17 all other fiscal years, the Annual Percentage shall be
18 calculated as a fraction, the numerator of which shall be
19 the amount of refunds approved for payment by the
20 Department during the preceding fiscal year as a result
21 of overpayment of tax liability under subsections (a) and
22 (b)(1), (2), and (3), (4), and (5) of Section 201 of this
23 Act plus the amount of such refunds remaining approved
24 but unpaid at the end of the preceding fiscal year, minus
25 the amounts transferred into the Income Tax Refund Fund
26 from the Tobacco Settlement Recovery Fund, and the
27 denominator of which shall be the amounts which will be
28 collected pursuant to subsections (a) and (b)(1), (2),
29 and (3), (4), and (5) of Section 201 of this Act during
30 the preceding fiscal year; except that in State fiscal
31 year 2002, the Annual Percentage shall in no event exceed
32 7.6%. The Director of Revenue shall certify the Annual
33 Percentage to the Comptroller on the last business day of
34 the fiscal year immediately preceding the fiscal year for

1 which it is to be effective.

2 (2) Beginning on January 1, 1989 and thereafter,
3 the Department shall deposit a percentage of the amounts
4 collected pursuant to subsections (a) and (b)(6), (7),
5 and (8), (9), and (10), (c) and (d) of Section 201 of
6 this Act into a fund in the State treasury known as the
7 Income Tax Refund Fund. The Department shall deposit 18%
8 of such amounts during the period beginning January 1,
9 1989 and ending on June 30, 1989. Beginning with State
10 fiscal year 1990 and for each fiscal year thereafter, the
11 percentage deposited into the Income Tax Refund Fund
12 during a fiscal year shall be the Annual Percentage. For
13 fiscal years 1999, 2000, and 2001, the Annual Percentage
14 shall be 19%. For fiscal year 2003, the Annual Percentage
15 shall be 27%. For all other fiscal years, the Annual
16 Percentage shall be calculated as a fraction, the
17 numerator of which shall be the amount of refunds
18 approved for payment by the Department during the
19 preceding fiscal year as a result of overpayment of tax
20 liability under subsections (a) and (b)(6), (7), and (8),
21 (9), and (10), (c) and (d) of Section 201 of this Act
22 plus the amount of such refunds remaining approved but
23 unpaid at the end of the preceding fiscal year, and the
24 denominator of which shall be the amounts which will be
25 collected pursuant to subsections (a) and (b)(6), (7),
26 and (8), (9), and (10), (c) and (d) of Section 201 of
27 this Act during the preceding fiscal year; except that in
28 State fiscal year 2002, the Annual Percentage shall in no
29 event exceed 23%. The Director of Revenue shall certify
30 the Annual Percentage to the Comptroller on the last
31 business day of the fiscal year immediately preceding the
32 fiscal year for which it is to be effective.

33 (3) The Comptroller shall order transferred and the
34 Treasurer shall transfer from the Tobacco Settlement

1 Recovery Fund to the Income Tax Refund Fund (i)
2 \$35,000,000 in January, 2001, (ii) \$35,000,000 in
3 January, 2002, and (iii) \$35,000,000 in January, 2003.

4 (d) Expenditures from Income Tax Refund Fund.

5 (1) Beginning January 1, 1989, money in the Income
6 Tax Refund Fund shall be expended exclusively for the
7 purpose of paying refunds resulting from overpayment of
8 tax liability under Section 201 of this Act, for paying
9 rebates under Section 208.1 in the event that the amounts
10 in the Homeowners' Tax Relief Fund are insufficient for
11 that purpose, and for making transfers pursuant to this
12 subsection (d).

13 (2) The Director shall order payment of refunds
14 resulting from overpayment of tax liability under Section
15 201 of this Act from the Income Tax Refund Fund only to
16 the extent that amounts collected pursuant to Section 201
17 of this Act and transfers pursuant to this subsection (d)
18 and item (3) of subsection (c) have been deposited and
19 retained in the Fund.

20 (3) As soon as possible after the end of each
21 fiscal year, the Director shall order transferred and the
22 State Treasurer and State Comptroller shall transfer from
23 the Income Tax Refund Fund to the Personal Property Tax
24 Replacement Fund an amount, certified by the Director to
25 the Comptroller, equal to the excess of the amount
26 collected pursuant to subsections (c) and (d) of Section
27 201 of this Act deposited into the Income Tax Refund Fund
28 during the fiscal year over the amount of refunds
29 resulting from overpayment of tax liability under
30 subsections (c) and (d) of Section 201 of this Act paid
31 from the Income Tax Refund Fund during the fiscal year.

32 (4) As soon as possible after the end of each
33 fiscal year, the Director shall order transferred and the
34 State Treasurer and State Comptroller shall transfer from

1 the Personal Property Tax Replacement Fund to the Income
2 Tax Refund Fund an amount, certified by the Director to
3 the Comptroller, equal to the excess of the amount of
4 refunds resulting from overpayment of tax liability under
5 subsections (c) and (d) of Section 201 of this Act paid
6 from the Income Tax Refund Fund during the fiscal year
7 over the amount collected pursuant to subsections (c) and
8 (d) of Section 201 of this Act deposited into the Income
9 Tax Refund Fund during the fiscal year.

10 (4.5) As soon as possible after the end of fiscal
11 year 1999 and of each fiscal year thereafter, the
12 Director shall order transferred and the State Treasurer
13 and State Comptroller shall transfer from the Income Tax
14 Refund Fund to the General Revenue Fund any surplus
15 remaining in the Income Tax Refund Fund as of the end of
16 such fiscal year; excluding for fiscal years 2000, 2001,
17 and 2002 amounts attributable to transfers under item (3)
18 of subsection (c) less refunds resulting from the earned
19 income tax credit.

20 (5) This Act shall constitute an irrevocable and
21 continuing appropriation from the Income Tax Refund Fund
22 for the purpose of paying refunds upon the order of the
23 Director in accordance with the provisions of this
24 Section.

25 (e) Deposits into the Education Assistance Fund and the
26 Income Tax Surcharge Local Government Distributive Fund.

27 On July 1, 1991, and thereafter, of the amounts collected
28 pursuant to subsections (a) and (b) of Section 201 of this
29 Act, minus deposits into the Income Tax Refund Fund, the
30 Department shall deposit 7.3% into the Education Assistance
31 Fund in the State Treasury. Beginning July 1, 1991, and
32 continuing through January 31, 1993, of the amounts collected
33 pursuant to subsections (a) and (b) of Section 201 of the
34 Illinois Income Tax Act, minus deposits into the Income Tax

1 Refund Fund, the Department shall deposit 3.0% into the
2 Income Tax Surcharge Local Government Distributive Fund in
3 the State Treasury. Beginning February 1, 1993 and
4 continuing through June 30, 1993, of the amounts collected
5 pursuant to subsections (a) and (b) of Section 201 of the
6 Illinois Income Tax Act, minus deposits into the Income Tax
7 Refund Fund, the Department shall deposit 4.4% into the
8 Income Tax Surcharge Local Government Distributive Fund in
9 the State Treasury. Beginning July 1, 1993, and continuing
10 through June 30, 1994, of the amounts collected under
11 subsections (a) and (b) of Section 201 of this Act, minus
12 deposits into the Income Tax Refund Fund, the Department
13 shall deposit 1.475% into the Income Tax Surcharge Local
14 Government Distributive Fund in the State Treasury.

15 (f) Deposits into the School District Property Tax
16 Relief Fund and Common School Fund. Of the amounts collected
17 pursuant to subsections (a), (b)(4)(ii), (b)(5), (b)(9)(ii),
18 and (b)(10) of Section 201 of this Act, minus deposits into
19 the Income Tax Refund Fund, the Department shall deposit
20 two-thirds of the increase in revenue attributable to the
21 increase in tax rates imposed under this amendatory Act of
22 the 93rd General Assembly into the School District Property
23 Tax Relief Fund and one-third of the increase in revenue
24 attributable to the increase in tax rates imposed under this
25 amendatory Act of the 93rd General Assembly into the Common
26 School Fund.

27 (Source: P.A. 91-212, eff. 7-20-99; 91-239, eff. 1-1-00;
28 91-700, eff. 5-11-00; 91-704, eff. 7-1-00; 91-712, eff.
29 7-1-00; 92-11, eff. 6-11-01; 92-16, eff. 6-28-01; 92-600,
30 eff. 6-28-02.)

31 Section 15-15. The Property Tax Code is amended by
32 changing Sections 18-255, 20-15, and 21-30 and by adding
33 Section 18-178 as follows:

1 (35 ILCS 200/18-178 new)

2 Sec. 18-178. Educational purposes tax abatement.
3 Beginning with taxes levied for 2003 (payable in 2004), the
4 county clerk must determine the final extension for
5 educational purposes for all taxable property in a school
6 district located in the county or for the taxable property of
7 that part of a school district located in the county, taking
8 into account the maximum rate, levy, and extension authorized
9 under the Property Tax Extension Limitation Law, the Truth in
10 Taxation Law, and any other statute. The county clerk must
11 then abate the extension for educational purposes for each
12 school district or part of a school district in the county in
13 the amount of the school district property tax relief grant
14 certified to the county clerk for that school district or
15 part of a school district by the Department of Revenue under
16 Section 6z-59 of the State Finance Act. When the final
17 extension for educational purposes has been determined and
18 abated, the county clerk must notify the Department of
19 Revenue.

20 The county clerk must determine the reduced amount of the
21 tax for educational purposes to be billed by the county
22 collector and paid by each taxpayer in a given school
23 district by re-calculating the tax rate for educational
24 purposes for that school district based on the reduced
25 extension amount after abatement. This reduced extension
26 amount shall be used only for determining the amount of the
27 tax bill. The extension amount for educational purposes as
28 originally calculated before abatement is the official final
29 extension for educational purposes and must be used for all
30 other purposes, including determining the maximum rate, levy,
31 and extension authorized under the Property Tax Extension
32 Limitation Law, the Truth in Taxation Law, and any other
33 statute and the maximum amount of tax anticipation warrants
34 under Section 17-16 of the School Code.

1 (35 ILCS 200/18-255)

2 Sec. 18-255. Abstract of assessments and extensions.
3 When the collector's books are completed, the county clerk
4 shall make a complete statement of the assessment and
5 extensions, in conformity to the instructions of the
6 Department. The clerk shall certify the statement to the
7 Department. Beginning with the 2003 levy year, the Department
8 shall require the statement to include a separate listing of
9 the extensions subject to abatement under Section 18-178.

10 (Source: Laws 1943, vol. 1, p. 1136; P.A. 88-455.)

11 (35 ILCS 200/20-15)

12 Sec. 20-15. Information on bill or separate statement.
13 The amount of tax due and rates shown on the tax bill
14 pursuant to this Section shall be net of any abatement under
15 Section 18-178. There shall be printed on each bill, or on a
16 separate slip which shall be mailed with the bill:

17 (a) a statement itemizing the rate at which taxes
18 have been extended for each of the taxing districts in
19 the county in whose district the property is located, and
20 in those counties utilizing electronic data processing
21 equipment the dollar amount of tax due from the person
22 assessed allocable to each of those taxing districts,
23 including a separate statement of the dollar amount of
24 tax due which is allocable to a tax levied under the
25 Illinois Local Library Act or to any other tax levied by
26 a municipality or township for public library purposes,

27 (b) a separate statement for each of the taxing
28 districts of the dollar amount of tax due which is
29 allocable to a tax levied under the Illinois Pension Code
30 or to any other tax levied by a municipality or township
31 for public pension or retirement purposes,

32 (c) the total tax rate,

33 (d) the total amount of tax due, and

1 (e) the amount by which the total tax and the tax
2 allocable to each taxing district differs from the
3 taxpayer's last prior tax bill, and

4 (f) the amount of tax abated under Section 18-178
5 labeled "Your School Tax Refund".

6 The county treasurer shall ensure that only those taxing
7 districts in which a parcel of property is located shall be
8 listed on the bill for that property.

9 In all counties the statement shall also provide:

10 (1) the property index number or other suitable
11 description,

12 (2) the assessment of the property,

13 (3) the equalization factors imposed by the county
14 and by the Department, and

15 (4) the equalized assessment resulting from the
16 application of the equalization factors to the basic
17 assessment.

18 In all counties which do not classify property for
19 purposes of taxation, for property on which a single family
20 residence is situated the statement shall also include a
21 statement to reflect the fair cash value determined for the
22 property. In all counties which classify property for
23 purposes of taxation in accordance with Section 4 of Article
24 IX of the Illinois Constitution, for parcels of residential
25 property in the lowest assessment classification the
26 statement shall also include a statement to reflect the fair
27 cash value determined for the property.

28 In all counties, the statement shall include information
29 that certain taxpayers may be eligible for the Senior
30 Citizens and Disabled Persons Property Tax Relief and
31 Pharmaceutical Assistance Act and that applications are
32 available from the Illinois Department of Revenue.

33 In counties which use the estimated or accelerated
34 billing methods, these statements shall only be provided with

1 the final installment of taxes due, except that the statement
2 under item (f) shall be included with both installments in
3 those counties under estimated or accelerated billing
4 methods, the first billing showing the amount deducted from
5 the first installment, and the final billing showing the
6 total tax abated for the levy year under Section 18-178. The
7 provisions of this Section create a mandatory statutory duty.
8 They are not merely directory or discretionary. The failure
9 or neglect of the collector to mail the bill, or the failure
10 of the taxpayer to receive the bill, shall not affect the
11 validity of any tax, or the liability for the payment of any
12 tax.

13 (Source: P.A. 91-699, eff. 1-1-01.)

14 (35 ILCS 200/21-30)

15 Sec. 21-30. Accelerated billing. Except as provided in
16 this Section and Section 21-40, in counties with 3,000,000 or
17 more inhabitants, by January 31 annually, estimated tax bills
18 setting out the first installment of property taxes for the
19 preceding year, payable in that year, shall be prepared and
20 mailed. The first installment of taxes on the estimated tax
21 bills shall be computed at 50% of the total of each tax bill
22 before the abatement of taxes under Section 18-178 for the
23 preceding year, less an estimate of one half of the school
24 district property tax relief grant for the current year
25 determined based on information provided by the Department of
26 Revenue and any other information available. If, prior to
27 the preparation of the estimated tax bills, a certificate of
28 error has been either approved by a court on or before
29 November 30 of the preceding year or certified pursuant to
30 Section 14-15 on or before November 30 of the preceding year,
31 then the first installment of taxes on the estimated tax
32 bills shall be computed at 50% of the total taxes before the
33 abatement of taxes under Section 18-178 for the preceding

1 year as corrected by the certificate of error, less an
2 estimate of one half of the school district property tax
3 relief grant for the current year determined based on
4 information provided by the Department of Revenue and any
5 other information available. By June 30 annually, actual tax
6 bills shall be prepared and mailed. These bills shall set out
7 total taxes due and the amount of estimated taxes billed in
8 the first installment, and shall state the balance of taxes
9 due for that year as represented by the sum derived from
10 subtracting the amount of the first installment from the
11 total taxes due for that year.

12 The county board may provide by ordinance, in counties
13 with 3,000,000 or more inhabitants, for taxes to be paid in 4
14 installments. For the levy year for which the ordinance is
15 first effective and each subsequent year, estimated tax bills
16 setting out the first, second, and third installment of taxes
17 for the preceding year, payable in that year, shall be
18 prepared and mailed not later than the date specified by
19 ordinance. Each installment on estimated tax bills shall be
20 computed at 25% of the total of each tax bill for the
21 preceding year. By the date specified in the ordinance,
22 actual tax bills shall be prepared and mailed. These bills
23 shall set out total taxes due and the amount of estimated
24 taxes billed in the first, second, and third installments and
25 shall state the balance of taxes due for that year as
26 represented by the sum derived from subtracting the amount of
27 the estimated installments from the total taxes due for that
28 year.

29 The county board of any county with less than 3,000,000
30 inhabitants may, by ordinance or resolution, adopt an
31 accelerated method of tax billing. The county board may
32 subsequently rescind the ordinance or resolution and revert
33 to the method otherwise provided for in this Code.

34 Taxes levied on homestead property in which a member of

1 the National Guard or reserves of the armed forces of the
2 United States who was called to active duty on or after
3 August 1, 1990, and who has an ownership interest shall not
4 be deemed delinquent and no interest shall accrue or be
5 charged as a penalty on such taxes due and payable in 1991 or
6 1992 until one year after that member returns to civilian
7 status.

8 (Source: P.A. 92-475, eff. 8-23-01.)

9 ARTICLE 20

10 Section 20-5. The School Code is amended by changing
11 Sections 1D-1, 2-3.64, 14-7.01, 14-7.02, 14-13.01, and 29-5
12 and adding Sections 2-3.51.10, 2-3.51.15, 2-3.51.20,
13 2-3.51.25, 2-3.51.30, and 29-5a as follows:

14 (105 ILCS 5/1D-1)

15 Sec. 1D-1. Block grant funding.

16 (a) For fiscal year 1996 and each fiscal year
17 thereafter, the State Board of Education shall award to a
18 school district having a population exceeding 500,000
19 inhabitants a general education block grant and an
20 educational services block grant, determined as provided in
21 this Section, in lieu of distributing to the district
22 separate State funding for the programs described in
23 subsections (b) and (c). The provisions of this Section,
24 however, do not apply to any federal funds that the district
25 is entitled to receive. In accordance with Section 2-3.32,
26 all block grants are subject to an audit. Therefore, block
27 grant receipts and block grant expenditures shall be recorded
28 to the appropriate fund code for the designated block grant.

29 (b) The general education block grant shall include the
30 following programs: REI Initiative, Summer Bridges, Preschool
31 At Risk, K-6 Comprehensive Arts, School Improvement Support,

1 Urban Education, Scientific Literacy, Substance Abuse
2 Prevention, Second Language Planning, Staff Development,
3 Outcomes and Assessment, K-6 Reading Improvement, Truants'
4 Optional Education, Hispanic Programs, Agriculture Education,
5 Gifted Education, Parental Education, Prevention Initiative,
6 Report Cards, and Criminal Background Investigations, General
7 Purpose Block Grant Program, Early Childhood Block Grant
8 Program, Reading Improvement Block Grant Program,
9 Professional Development Block Grant Program, Academic
10 Difficulty Block Grant Program, Career and Technical
11 Education Block Grant Program, and Alternative Education
12 Block Grant Program. Notwithstanding any other provision of
13 law, all amounts paid under the general education block grant
14 from State appropriations to a school district in a city
15 having a population exceeding 500,000 inhabitants shall be
16 appropriated and expended by the board of that district for
17 any of the programs included in the block grant or any of the
18 board's lawful purposes.

19 (c) The educational services block grant shall include
20 the following programs: Bilingual, ~~Regular-and-Vocational~~
21 Transportation as provided in Section 29-5a, State Lunch and
22 Free Breakfast Program, Special Education (Personnel,
23 ~~Extraordinary, Transportation,~~ Orphanage, Private Tuition),
24 Summer School, Educational Service Centers, and
25 Administrator's Academy. This subsection (c) does not
26 relieve the district of its obligation to provide the
27 services required under a program that is included within the
28 educational services block grant. It is the intention of the
29 General Assembly in enacting the provisions of this
30 subsection (c) to relieve the district of the administrative
31 burdens that impede efficiency and accompany single-program
32 funding. The General Assembly encourages the board to pursue
33 mandate waivers pursuant to Section 2-3.25g.

34 (d) For fiscal year 1996 and each fiscal year

1 thereafter, the amount of the district's block grants shall
2 be determined as follows: (i) with respect to each program
3 that is included within each block grant, the district shall
4 receive an amount equal to the same percentage of the current
5 fiscal year appropriation made for that program as the
6 percentage of the appropriation received by the district from
7 the 1995 fiscal year appropriation made for that program, and
8 (ii) the total amount that is due the district under the
9 block grant shall be the aggregate of the amounts that the
10 district is entitled to receive for the fiscal year with
11 respect to each program that is included within the block
12 grant that the State Board of Education shall award the
13 district under this Section for that fiscal year. In the
14 case of the Summer Bridges program, the amount of the
15 district's block grant shall be equal to 44% of the amount of
16 the current fiscal year appropriation made for that program.

17 (e) The district is not required to file any application
18 or other claim in order to receive the block grants to which
19 it is entitled under this Section. The State Board of
20 Education shall make payments to the district of amounts due
21 under the district's block grants on a schedule determined by
22 the State Board of Education.

23 (f) A school district to which this Section applies
24 shall report to the State Board of Education on its use of
25 the block grants in such form and detail as the State Board
26 of Education may specify.

27 (g) This paragraph provides for the treatment of block
28 grants under Article 1C for purposes of calculating the
29 amount of block grants for a district under this Section.
30 Those block grants under Article 1C are, for this purpose,
31 treated as included in the amount of appropriation for the
32 various programs set forth in paragraph (b) above. The
33 appropriation in each current fiscal year for each block
34 grant under Article 1C shall be treated for these purposes as

1 appropriations for the individual program included in that
2 block grant. The proportion of each block grant so allocated
3 to each such program included in it shall be the proportion
4 which the appropriation for that program was of all
5 appropriations for such purposes now in that block grant, in
6 fiscal 1995.

7 Payments to the school district under this Section with
8 respect to each program for which payments to school
9 districts generally, as of the date of this amendatory Act of
10 the 92nd General Assembly, are on a reimbursement basis shall
11 continue to be made to the district on a reimbursement basis,
12 pursuant to the provisions of this Code governing those
13 programs.

14 (h) Notwithstanding any other provision of law, any
15 school district receiving a block grant under this Section
16 may classify all or a portion of the funds that it receives
17 in a particular fiscal year from any block grant authorized
18 under this Code or from general State aid pursuant to Section
19 18-8.05 of this Code (other than supplemental general State
20 aid) as funds received in connection with any funding program
21 for which it is entitled to receive funds from the State in
22 that fiscal year (including, without limitation, any funding
23 program referred to in subsection (c) of this Section),
24 regardless of the source or timing of the receipt. The
25 district may not classify more funds as funds received in
26 connection with the funding program than the district is
27 entitled to receive in that fiscal year for that program.
28 Any classification by a district must be made by a resolution
29 of its board of education. The resolution must identify the
30 amount of any block grant or general State aid to be
31 classified under this subsection (h) and must specify the
32 funding program to which the funds are to be treated as
33 received in connection therewith. This resolution is
34 controlling as to the classification of funds referenced

1 therein. A certified copy of the resolution must be sent to
2 the State Superintendent of Education. The resolution shall
3 still take effect even though a copy of the resolution has
4 not been sent to the State Superintendent of Education in a
5 timely manner. No classification under this subsection (h)
6 by a district shall affect the total amount or timing of
7 money the district is entitled to receive under this Code.
8 No classification under this subsection (h) by a district
9 shall in any way relieve the district from or affect any
10 requirements that otherwise would apply with respect to the
11 block grant as provided in this Section, including any
12 accounting of funds by source, reporting expenditures by
13 original source and purpose, reporting requirements, or
14 requirements of provision of services.

15 (Source: P.A. 91-711, eff. 7-1-00; 92-568, eff. 6-26-02;
16 92-651, eff. 7-11-02.)

17 (105 ILCS 5/2-3.51.10 new)

18 Sec. 2-3.51.10. General Purpose Block Grant Program.

19 (a) The State Board of Education is authorized to fund a
20 General Purpose Block Grant Program, a multi-purpose grant to
21 be used to improve the level of education and safety of
22 students from kindergarten through grade 12 in school
23 districts by eliminating barriers to student learning.

24 (b) The General Purpose Block Grant Program shall
25 provide funding for general purposes and school safety. A
26 school district or laboratory school (as defined in Section
27 18-8.05 of this Code) is not required to file an application
28 in order to receive the funding to which it is entitled under
29 this Section. Funds for the program shall be distributed to
30 school districts and laboratory schools based on the prior
31 year's best 3-month average daily attendance. Distribution of
32 moneys to school districts and laboratory schools shall be
33 made in 2 installments each fiscal year, one payment on or

1 before October 30 and one payment on or before April 30.

2 (c) Grants under the General Purpose Block Grant Program
3 shall be awarded provided there is an appropriation for the
4 program, and funding levels for each school district and
5 laboratory school shall be prorated according to the amount
6 of the appropriation in a manner as determined by the State
7 Board of Education.

8 (d) The State Board of Education shall adopt any rules
9 necessary for implementation of the General Purpose Block
10 Grant Program.

11 (105 ILCS 5/2-3.51.15 new)

12 Sec. 2-3.51.15. Professional Development Block Grant
13 Program.

14 (a) To improve the level of education and teacher
15 quality, the State Board of Education is authorized to fund a
16 Professional Development Block Grant Program.

17 (b) The Professional Development Block Grant Program
18 shall provide funding for the development and continuing
19 education of teachers, administrators, and other certificated
20 educational personnel. Funds for the program shall be
21 distributed to school districts and laboratory schools (as
22 defined in Section 18-8.05 of this Code) based on the prior
23 year's number of full-time equivalent classroom teachers.
24 Distribution of moneys to school districts and laboratory
25 schools shall be made in 2 installments each fiscal year, one
26 payment on or before October 30 and one payment on or before
27 April 30.

28 (c) Grants under the Professional Development Block
29 Grant Program shall be awarded provided there is an
30 appropriation for the program, and funding levels for each
31 school district and laboratory school shall be prorated
32 according to the amount of the appropriation in a manner as
33 determined by the State Board of Education. Two percent of

1 the appropriated amount shall be used to support statewide
2 leadership activities.

3 (d) The State Board of Education shall adopt any rules
4 necessary for the implementation of the Professional
5 Development Block Grant Program.

6 (105 ILCS 5/2-3.51.20 new)

7 Sec. 2-3.51.20. Academic Difficulty Block Grant Program.

8 (a) To improve the educational level of students at-risk
9 of academic failure, the State Board of Education is
10 authorized to fund an Academic Difficulty Block Grant
11 Program.

12 (b) The Academic Difficulty Block Grant Program shall
13 provide funding to school districts on the Academic Warning
14 List or Academic Watch List. Funds for the program shall be
15 distributed to school districts or consortia of districts via
16 grants for efforts that adhere to specific requirements and
17 expectations established by the State Board of Education.

18 (c) Grants under the Academic Difficulty Block Grant
19 Program shall be awarded provided there is an appropriation
20 for the program, and funding levels for each school district
21 shall be prorated according to the amount of the
22 appropriation in a manner as determined by the State Board of
23 Education. Two percent of the appropriated amount shall be
24 used to support statewide leadership activities.

25 (d) The State Board of Education shall adopt any rules
26 necessary for the implementation of the Academic Difficulty
27 Block Grant Program.

28 (105 ILCS 5/2-3.51.25 new)

29 Sec. 2-3.51.25. Career and Technical Education Block
30 Grant Program.

31 (a) To improve students career and technical skills and
32 provide linkages between the classroom and the workplace, the

1 State Board of Education is authorized to fund a Career and
2 Technical Education Block Grant Program.

3 (b) The Career and Technical Education Block Grant
4 Program shall provide funding to school districts, community
5 college districts, secondary regional vocational systems, and
6 employment regions engaged in career awareness and technical
7 preparation activities. Funds for the program shall be
8 distributed via competitive and formula-driven grants.

9 (c) Grants under the Career and Technical Education
10 Block Grant Program shall be awarded provided there is an
11 appropriation for the program, and funding levels for each
12 eligible entity shall be prorated according to the amount of
13 the appropriation in a manner as determined by the State
14 Board of Education. Two percent of the appropriated amount
15 shall be used to support statewide leadership activities.

16 (d) The State Board of Education shall adopt any rules
17 necessary for the implementation of the Career and Technical
18 Education Block Grant Program.

19 (105 ILCS 5/2-3.51.30 new)

20 Sec. 2-3.51.30. Alternative Education Block Grant
21 Program. To provide services to students in alternative
22 education settings, the State Board of Education is
23 authorized to fund an Alternative Education Block Grant
24 Program.

25 (a) The Alternative Education Block Grant Program shall
26 provide funding for regional offices of education conducting
27 alternative or safe school programs or both. Funds for the
28 program shall be distributed via a formula based on the
29 number of students in attendance and the low-income count of
30 school districts in the region.

31 (b) Grants under the Alternative Education Block Grant
32 Program shall be awarded provided there is an appropriation
33 for the program, and funding levels for each district shall

1 be prorated according to the amount of the appropriation in a
2 manner as determined by the State Board of Education. Two
3 percent of the appropriated amount shall be used to support
4 statewide leadership activities.

5 (c) The State Board of Education shall adopt any rules
6 necessary for the implementation of the Alternative Education
7 Block Grant Program.

8 (105 ILCS 5/2-3.64) (from Ch. 122, par. 2-3.64)

9 Sec. 2-3.64. State goals and assessment.

10 (a) Beginning in the 1998-1999 school year, the State
11 Board of Education shall establish standards and
12 periodically, in collaboration with local school districts,
13 conduct studies of student performance in the learning areas
14 of fine arts and physical development/health. Beginning with
15 the 1998-1999 school year, the State Board of Education shall
16 annually test: (i) all pupils enrolled in the 3rd, 5th, and
17 8th grades in English language arts (reading, writing, and
18 English grammar) and mathematics; and (ii) all pupils
19 enrolled in the 4th and 7th grades in the biological and
20 physical sciences and the social sciences (history,
21 geography, civics, economics, and government). The State
22 Board of Education shall establish the academic standards
23 that are to be applicable to pupils who are subject to State
24 tests under this Section beginning with the 1998-1999 school
25 year. However, the State Board of Education shall not
26 establish any such standards in final form without first
27 providing opportunities for public participation and local
28 input in the development of the final academic standards.
29 Those opportunities shall include a well-publicized period of
30 public comment, public hearings throughout the State, and
31 opportunities to file written comments. Beginning with the
32 1998-99 school year and thereafter, the State tests will
33 identify pupils in the 3rd grade or 5th grade who do not meet

1 the State standards. If, by performance on the State tests
2 or local assessments or by teacher judgment, a student's
3 performance is determined to be 2 or more grades below
4 current placement, the student shall be provided a
5 remediation program developed by the district in consultation
6 with a parent or guardian. Such remediation programs may
7 include, but shall not be limited to, increased or
8 concentrated instructional time, a remedial summer school
9 program of not less than 90 hours, improved instructional
10 approaches, tutorial sessions, retention in grade, and
11 modifications to instructional materials. Each pupil for
12 whom a remediation program is developed under this subsection
13 shall be required to enroll in and attend whatever program
14 the district determines is appropriate for the pupil.
15 Districts may combine students in remediation programs where
16 appropriate and may cooperate with other districts in the
17 design and delivery of those programs. The parent or
18 guardian of a student required to attend a remediation
19 program under this Section shall be given written notice of
20 that requirement by the school district a reasonable time
21 prior to commencement of the remediation program that the
22 student is to attend. The State shall be responsible for
23 providing school districts with the new and additional
24 funding, under Section 2-3.51.10 of this Code ~~2-3-51-5~~ or by
25 other or additional means, that is required to enable the
26 districts to operate remediation programs for the pupils who
27 are required to enroll in and attend those programs under
28 this Section. Every individualized educational program as
29 described in Article 14 shall identify if the State test or
30 components thereof are appropriate for that student. For
31 those pupils for whom the State tests or components thereof
32 are not appropriate, the State Board of Education shall
33 develop rules and regulations governing the administration of
34 alternative tests prescribed within each student's

1 individualized educational program which are appropriate to
2 the disability of each student. All pupils who are in a
3 State approved transitional bilingual education program or
4 transitional program of instruction shall participate in the
5 State tests. Any student who has been enrolled in a State
6 approved bilingual education program less than 3 academic
7 years shall be exempted if the student's lack of English as
8 determined by an English language proficiency test would keep
9 the student from understanding the test, and that student's
10 district shall have an alternative test program in place for
11 that student. The State Board of Education shall appoint a
12 task force of concerned parents, teachers, school
13 administrators and other professionals to assist in
14 identifying such alternative tests. Reasonable
15 accommodations as prescribed by the State Board of Education
16 shall be provided for individual students in the testing
17 procedure. All test procedures prescribed by the State Board
18 of Education shall require: (i) that each test used for State
19 and local student testing under this Section identify by name
20 the pupil taking the test; (ii) that the name of the pupil
21 taking the test be placed on the test at the time the test is
22 taken; (iii) that the results or scores of each test taken
23 under this Section by a pupil of the school district be
24 reported to that district and identify by name the pupil who
25 received the reported results or scores; and (iv) that the
26 results or scores of each test taken under this Section be
27 made available to the parents of the pupil. In addition,
28 beginning with the 2000-2001 school year and in each school
29 year thereafter, the highest scores and performance levels
30 attained by a student on the Prairie State Achievement
31 Examination administered under subsection (c) of this Section
32 shall become part of the student's permanent record and shall
33 be entered on the student's transcript pursuant to
34 regulations that the State Board of Education shall

1 promulgate for that purpose in accordance with Section 3 and
2 subsection (e) of Section 2 of the Illinois School Student
3 Records Act. Beginning with the 1998-1999 school year and in
4 every school year thereafter, scores received by students on
5 the State assessment tests administered in grades 3 through 8
6 shall be placed into students' temporary records. The State
7 Board of Education shall establish a common month in each
8 school year for which State testing shall occur to meet the
9 objectives of this Section. However, if the schools of a
10 district are closed and classes are not scheduled during any
11 week that is established by the State Board of Education as
12 the week of the month when State testing under this Section
13 shall occur, the school district may administer the required
14 State testing at any time up to 2 weeks following the week
15 established by the State Board of Education for the testing,
16 so long as the school district gives the State Board of
17 Education written notice of its intention to deviate from the
18 established schedule by December 1 of the school year in
19 which falls the week established by the State Board of
20 Education for the testing. The maximum time allowed for all
21 actual testing required under this subsection during the
22 school year shall not exceed 25 hours as allocated among the
23 required tests by the State Board of Education.

24 (a-5) All tests administered pursuant to this Section
25 shall be academically based. For the purposes of this
26 Section "academically based tests" shall mean tests
27 consisting of questions and answers that are measurable and
28 quantifiable to measure the knowledge, skill, and ability of
29 students in the subject matters covered by tests. The
30 scoring of academically based tests shall be reliable, valid,
31 unbiased and shall meet the guidelines for test development
32 and use prescribed by the American Psychological Association,
33 the National Council of Measurement and Evaluation, and the
34 American Educational Research Association. Academically based

1 tests shall not include assessments or evaluations of
2 attitudes, values, or beliefs, or testing of personality,
3 self-esteem, or self-concept. Nothing in this amendatory Act
4 is intended, nor shall it be construed, to nullify,
5 supersede, or contradict the legislative intent on academic
6 testing expressed during the passage of HB 1005/P.A. 90-296.

7 Beginning in the 1998-1999 school year, the State Board
8 of Education may, on a pilot basis, include in the State
9 assessments in reading and math at each grade level tested no
10 more than 2 short answer questions, where students have to
11 respond in brief to questions or prompts or show
12 computations, rather than select from alternatives that are
13 presented. In the first year that such questions are used,
14 scores on the short answer questions shall not be reported on
15 an individual student basis but shall be aggregated for each
16 school building in which the tests are given. State-level,
17 school, and district scores shall be reported both with and
18 without the results of the short answer questions so that the
19 effect of short answer questions is clearly discernible.
20 Beginning in the second year of this pilot program, scores on
21 the short answer questions shall be reported both on an
22 individual student basis and on a school building basis in
23 order to monitor the effects of teacher training and
24 curriculum improvements on score results.

25 The State Board of Education shall not continue the use
26 of short answer questions in the math and reading
27 assessments, or extend the use of such questions to other
28 State assessments, unless this pilot project demonstrates
29 that the use of short answer questions results in a
30 statistically significant improvement in student achievement
31 as measured on the State assessments for math and reading and
32 is justifiable in terms of cost and student performance.

33 (b) It shall be the policy of the State to encourage
34 school districts to continuously test pupil proficiency in

1 the fundamental learning areas in order to: (i) provide
2 timely information on individual students' performance
3 relative to State standards that is adequate to guide
4 instructional strategies; (ii) improve future instruction;
5 and (iii) complement the information provided by the State
6 testing system described in this Section. Each district's
7 school improvement plan must address specific activities the
8 district intends to implement to assist pupils who by teacher
9 judgment and test results as prescribed in subsection (a) of
10 this Section demonstrate that they are not meeting State
11 standards or local objectives. Such activities may include,
12 but shall not be limited to, summer school, extended school
13 day, special homework, tutorial sessions, modified
14 instructional materials, other modifications in the
15 instructional program, reduced class size or retention in
16 grade. To assist school districts in testing pupil
17 proficiency in reading in the primary grades, the State Board
18 shall make optional reading inventories for diagnostic
19 purposes available to each school district that requests such
20 assistance. Districts that administer the reading
21 inventories may develop remediation programs for students who
22 perform in the bottom half of the student population. Those
23 remediation programs may be funded by moneys provided under
24 the General Purpose School-Safety-and-Educational-Improvement
25 Block Grant Program established under Section 2-3.51.10 of
26 this Code 2-3-51-5. Nothing in this Section shall prevent
27 school districts from implementing testing and remediation
28 policies for grades not required under this Section.

29 (c) Beginning with the 2000-2001 school year, each
30 school district that operates a high school program for
31 students in grades 9 through 12 shall annually administer the
32 Prairie State Achievement Examination established under this
33 subsection to its students as set forth below. The Prairie
34 State Achievement Examination shall be developed by the State

1 Board of Education to measure student performance in the
2 academic areas of reading, writing, mathematics, science, and
3 social sciences. The State Board of Education shall
4 establish the academic standards that are to apply in
5 measuring student performance on the Prairie State
6 Achievement Examination including the minimum examination
7 score in each area that will qualify a student to receive a
8 Prairie State Achievement Award from the State in recognition
9 of the student's excellent performance. Each school district
10 that is subject to the requirements of this subsection (c)
11 shall afford all students 2 opportunities to take the Prairie
12 State Achievement Examination beginning as late as practical
13 during the second semester of grade 11, but in no event
14 before March 1. The State Board of Education shall annually
15 notify districts of the weeks during which these test
16 administrations shall be required to occur. Every
17 individualized educational program as described in Article 14
18 shall identify if the Prairie State Achievement Examination
19 or components thereof are appropriate for that student. Each
20 student, exclusive of a student whose individualized
21 educational program developed under Article 14 identifies the
22 Prairie State Achievement Examination as inappropriate for
23 the student, shall be required to take the examination in
24 grade 11. For each academic area the State Board of
25 Education shall establish the score that qualifies for the
26 Prairie State Achievement Award on that portion of the
27 examination. Any student who fails to earn a qualifying
28 score for a Prairie State Achievement Award in any one or
29 more of the academic areas on the initial test administration
30 or who wishes to improve his or her score on any portion of
31 the examination shall be permitted to retake such portion or
32 portions of the examination during grade 12. Districts shall
33 inform their students of the timelines and procedures
34 applicable to their participation in every yearly

1 administration of the Prairie State Achievement Examination.
2 Students receiving special education services whose
3 individualized educational programs identify the Prairie
4 State Achievement Examination as inappropriate for them
5 nevertheless shall have the option of taking the examination,
6 which shall be administered to those students in accordance
7 with standards adopted by the State Board of Education to
8 accommodate the respective disabilities of those students. A
9 student who successfully completes all other applicable high
10 school graduation requirements but fails to receive a score
11 on the Prairie State Achievement Examination that qualifies
12 the student for receipt of a Prairie State Achievement Award
13 shall nevertheless qualify for the receipt of a regular high
14 school diploma.

15 (d) Beginning with the 2002-2003 school year, all
16 schools in this State that are part of the sample drawn by
17 the National Center for Education Statistics, in
18 collaboration with their school districts and the State Board
19 of Education, shall administer the biennial State academic
20 assessments of 4th and 8th grade reading and mathematics
21 under the National Assessment of Educational Progress carried
22 out under Section 411(b)(2) of the National Education
23 Statistics Act of 1994 (20 U.S.C. 9010) if the Secretary of
24 Education pays the costs of administering the assessments.

25 (Source: P.A. 91-283, eff. 7-29-99; 92-604, eff. 7-1-02.)

26 (105 ILCS 5/14-7.01) (from Ch. 122, par. 14-7.01)

27 Sec. 14-7.01. Children attending classes in another
28 district.) If a child, resident of one school district,
29 because of his disability, attends a class or school for any
30 of such types of children in another school district, the
31 school district in which he resides shall grant the proper
32 permit, provide any necessary transportation, and pay to the
33 school district maintaining the special educational

1 facilities the per capita cost of educating such children.

2 Such per capita cost shall be computed in the following
3 manner. The cost of conducting and maintaining any special
4 educational facility shall be first determined and shall
5 include the following expenses applicable only to such
6 educational facility under rules and regulations established
7 by the State Board of Education as follows:

8 (a) Salaries of teachers, professional workers,
9 necessary non-certified workers, clerks, librarians,
10 custodial employees, readers, and any district taxes
11 specifically for their pension and retirement benefits.

12 (b) Educational supplies and equipment including
13 textbooks.

14 (c) Administrative costs and communication.

15 (d) Operation of physical plant including heat, light,
16 water, repairs, and maintenance.

17 (e) Auxiliary service, ~~including up to 20% of~~
18 ~~transportation cost.~~

19 (f) Depreciation of physical facilities at a rate of
20 \$200 per pupil, or the actual rental paid for the physical
21 facilities calculated on a per pupil basis. From such total
22 cost thus determined there shall be deducted the State
23 reimbursement due on account of such educational program for
24 the same year, not including any State reimbursement for
25 special education transportation and offsetting federal
26 revenue for the program, except federally funded health care
27 reimbursement need not be deducted. Such net cost shall be
28 divided by the average number of pupils in average daily
29 enrollment in such special education facility for the school
30 year in order to arrive at the net per capita tuition cost.

31 If the child, resident of any school district, because of
32 his disability, attends a class or school for any of such
33 types of children maintained in a teacher training center
34 supported by public funds or State institution of higher

1 learning, the resident district shall provide any necessary
2 transportation and shall be eligible to the transportation
3 reimbursement provided in Section 14-13.01.

4 A resident district may, upon request, provide
5 transportation for residents of the district who meet the
6 requirements, other than the specified age, of children with
7 disabilities as defined in Section 14-1.02, who attend
8 classes in another district, and shall make a charge for any
9 such transportation in an amount equal to the cost thereof,
10 including a reasonable allowance for depreciation of the
11 vehicles used.

12 (Source: P.A. 89-397, eff. 8-20-95.)

13 (105 ILCS 5/14-7.02) (from Ch. 122, par. 14-7.02)

14 Sec. 14-7.02. Children attending private schools, public
15 out-of-state schools, public school residential facilities or
16 private special education facilities. The General Assembly
17 recognizes that non-public schools or special education
18 facilities provide an important service in the educational
19 system in Illinois.

20 If because of his or her disability the special education
21 program of a district is unable to meet the needs of a child
22 and the child attends a non-public school or special
23 education facility, a public out-of-state school or a special
24 education facility owned and operated by a county government
25 unit that provides special educational services required by
26 the child and is in compliance with the appropriate rules and
27 regulations of the State Superintendent of Education, the
28 school district in which the child is a resident shall pay
29 the actual cost of tuition for special education and related
30 services provided during the regular school term and during
31 the summer school term if the child's educational needs so
32 require, excluding room, board and transportation costs
33 charged the child by that non-public school or special

1 education facility, public out-of-state school or county
2 special education facility, or \$4,500 per year, whichever is
3 less, and shall provide him any necessary transportation.
4 "Nonpublic special education facility" shall include a
5 residential facility, within or without the State of
6 Illinois, which provides special education and related
7 services to meet the needs of the child by utilizing private
8 schools or public schools, whether located on the site or off
9 the site of the residential facility.

10 The State Board of Education shall promulgate rules and
11 regulations for determining when placement in a private
12 special education facility is appropriate. Such rules and
13 regulations shall take into account the various types of
14 services needed by a child and the availability of such
15 services to the particular child in the public school. In
16 developing these rules and regulations the State Board of
17 Education shall consult with the Advisory Council on
18 Education of Children with Disabilities and hold public
19 hearings to secure recommendations from parents, school
20 personnel, and others concerned about this matter.

21 The State Board of Education shall also promulgate rules
22 and regulations for transportation to and from a residential
23 school. Transportation to and from home to a residential
24 school more than once each school term shall be subject to
25 prior approval by the State Superintendent in accordance with
26 the rules and regulations of the State Board.

27 A school district making tuition payments pursuant to
28 this Section is eligible for reimbursement from the State for
29 the amount of such payments actually made in excess of the
30 district per capita tuition charge for students not receiving
31 special education services and for the cost of providing
32 transportation. Such reimbursement shall be approved in
33 accordance with Section 14-12.01 and each district shall file
34 its claims, computed in accordance with rules prescribed by

1 the State Board of Education, on forms prescribed by the
2 State Superintendent of Education. Data used as a basis of
3 reimbursement claims shall be for the preceding regular
4 school term and summer school term. Each school district
5 shall transmit its claims to the State Board of Education on
6 or before August 15. The State Board of Education, before
7 approving any such claims, shall determine their accuracy and
8 whether they are based upon services and facilities provided
9 under approved programs. Upon approval the State Board shall
10 cause vouchers to be prepared showing the amount due for
11 payment of reimbursement claims to school districts, for
12 transmittal to the State Comptroller on the 30th day of
13 September, December, and March, respectively, and the final
14 voucher, no later than June 20. If the money appropriated by
15 the General Assembly for such purpose for any year is
16 insufficient, it shall be apportioned on the basis of the
17 claims approved.

18 No child shall be placed in a special education program
19 pursuant to this Section if the tuition cost for special
20 education and related services increases more than 10 percent
21 over the tuition cost for the previous school year or exceeds
22 \$4,500 per year unless such costs have been approved by the
23 Illinois Purchased Care Review Board. The Illinois
24 Purchased Care Review Board shall consist of the following
25 persons, or their designees: the Directors of Children and
26 Family Services, Public Health, Public Aid, and the Bureau of
27 the Budget; the Secretary of Human Services; the State
28 Superintendent of Education; and such other persons as the
29 Governor may designate. The Review Board shall establish
30 rules and regulations for its determination of allowable
31 costs and payments made by local school districts for special
32 education, room and board, and other related services
33 provided by non-public schools or special education
34 facilities and shall establish uniform standards and criteria

1 which it shall follow.

2 The Review Board shall establish uniform definitions and
3 criteria for accounting separately by special education, room
4 and board and other related services costs. The Board shall
5 also establish guidelines for the coordination of services
6 and financial assistance provided by all State agencies to
7 assure that no otherwise qualified disabled child receiving
8 services under Article 14 shall be excluded from
9 participation in, be denied the benefits of or be subjected
10 to discrimination under any program or activity provided by
11 any State agency.

12 The Review Board shall review the costs for special
13 education and related services provided by non-public schools
14 or special education facilities and shall approve or
15 disapprove such facilities in accordance with the rules and
16 regulations established by it with respect to allowable
17 costs.

18 The State Board of Education shall provide administrative
19 and staff support for the Review Board as deemed reasonable
20 by the State Superintendent of Education. This support shall
21 not include travel expenses or other compensation for any
22 Review Board member other than the State Superintendent of
23 Education.

24 The Review Board shall seek the advice of the Advisory
25 Council on Education of Children with Disabilities on the
26 rules and regulations to be promulgated by it relative to
27 providing special education services.

28 If a child has been placed in a program in which the
29 actual per pupil costs of tuition for special education and
30 related services based on program enrollment, excluding room,
31 board and transportation costs, exceed \$4,500 and such costs
32 have been approved by the Review Board, the district shall
33 pay such total costs which exceed \$4,500. A district making
34 such tuition payments in excess of \$4,500 pursuant to this

1 Section shall be responsible for an amount in excess of
2 \$4,500 equal to the district per capita tuition charge and
3 shall be eligible for reimbursement from the State for the
4 amount of such payments actually made in excess of the
5 district's districts per capita tuition charge for students
6 not receiving special education services and the cost of
7 providing transportation.

8 If a child has been placed in an approved individual
9 program and the tuition costs including room and board costs
10 have been approved by the Review Board, then such room and
11 board costs shall be paid by the appropriate State agency
12 subject to the provisions of Section 14-8.01 of this Act.
13 Room and board costs not provided by a State agency other
14 than the State Board of Education shall be provided by the
15 State Board of Education on a current basis. In no event,
16 however, shall the State's liability for funding of these
17 tuition costs begin until after the legal obligations of
18 third party payors have been subtracted from such costs. If
19 the money appropriated by the General Assembly for such
20 purpose for any year is insufficient, it shall be apportioned
21 on the basis of the claims approved. Each district shall
22 submit estimated claims to the State Superintendent of
23 Education. Upon approval of such claims, the State
24 Superintendent of Education shall direct the State
25 Comptroller to make payments on a monthly basis. The
26 frequency for submitting estimated claims and the method of
27 determining payment shall be prescribed in rules and
28 regulations adopted by the State Board of Education. Such
29 current state reimbursement shall be reduced by an amount
30 equal to the proceeds which the child or child's parents are
31 eligible to receive under any public or private insurance or
32 assistance program. Nothing in this Section shall be
33 construed as relieving an insurer or similar third party from
34 an otherwise valid obligation to provide or to pay for

1 services provided to a disabled child.

2 If--it-otherwise-qualifies,-a-school-district-is-eligible
3 for-the-transportation-reimbursement-under--Section--14-13.01
4 and--for--the--reimbursement--of--tuition-payments-under-this
5 Section-whether-the-non-public-school--or--special--education
6 facility,----public--out-of-state--school--or--county--special
7 education-facility,-attended-by-a-child-who-resides--in--that
8 district-and-requires-special-educational-services,-is-within
9 or--outside-of-the-State-of-Illinois,-.However,-a-district-is
10 not-eligible-to-claim-transportation-reimbursement-under-this
11 Section--unless--the--district---certifies---to---the---State
12 Superintendent--of--Education--that-the-district-is-unable-to
13 provide-special-educational-services-required--by--the--child
14 for-the-current-school-year.

15 Nothing in this Section authorizes the reimbursement of a
16 school district for the amount paid for tuition of a child
17 attending a non-public school or special education facility,
18 public out-of-state school or county special education
19 facility unless the school district certifies to the State
20 Superintendent of Education that the special education
21 program of that district is unable to meet the needs of that
22 child because of his disability and the State Superintendent
23 of Education finds that the school district is in substantial
24 compliance with Section 14-4.01.

25 Any educational or related services provided, pursuant to
26 this Section in a non-public school or special education
27 facility or a special education facility owned and operated
28 by a county government unit shall be at no cost to the parent
29 or guardian of the child. However, current law and practices
30 relative to contributions by parents or guardians for costs
31 other than educational or related services are not affected
32 by this amendatory Act of 1978.

33 Reimbursement for children attending public school
34 residential facilities shall be made in accordance with the

1 provisions of this Section.

2 Notwithstanding any other provision of law, any school
3 district receiving a payment under this Section or under
4 Section 14-7.02a, 14-13.01, or 29-5 of this Code may classify
5 all or a portion of the funds that it receives in a
6 particular fiscal year or from general State aid pursuant to
7 Section 18-8.05 of this Code as funds received in connection
8 with any funding program for which it is entitled to receive
9 funds from the State in that fiscal year (including, without
10 limitation, any funding program referenced in this Section),
11 regardless of the source or timing of the receipt. The
12 district may not classify more funds as funds received in
13 connection with the funding program than the district is
14 entitled to receive in that fiscal year for that program.
15 Any classification by a district must be made by a resolution
16 of its board of education. The resolution must identify the
17 amount of any payments or general State aid to be classified
18 under this paragraph and must specify the funding program to
19 which the funds are to be treated as received in connection
20 therewith. This resolution is controlling as to the
21 classification of funds referenced therein. A certified copy
22 of the resolution must be sent to the State Superintendent of
23 Education. The resolution shall still take effect even though
24 a copy of the resolution has not been sent to the State
25 Superintendent of Education in a timely manner. No
26 classification under this paragraph by a district shall
27 affect the total amount or timing of money the district is
28 entitled to receive under this Code. No classification under
29 this paragraph by a district shall in any way relieve the
30 district from or affect any requirements that otherwise would
31 apply with respect to that funding program, including any
32 accounting of funds by source, reporting expenditures by
33 original source and purpose, reporting requirements, or
34 requirements of providing services.

1 (Source: P.A. 91-764, eff. 6-9-00; 92-568, eff. 6-26-02.)

2 (105 ILCS 5/14-13.01) (from Ch. 122, par. 14-13.01)

3 Sec. 14-13.01. Reimbursement payable by State; Amounts.
4 Reimbursement for furnishing special educational facilities
5 in a recognized school to the type of children defined in
6 Section 14-1.02 shall be paid to the school districts in
7 accordance with Section 14-12.01 for each school year ending
8 June 30 by the State Comptroller out of any money in the
9 treasury appropriated for such purposes on the presentation
10 of vouchers by the State Board of Education.

11 The reimbursement shall be limited to funds expended for
12 construction and maintenance of special education facilities
13 designed and utilized to house instructional programs,
14 diagnostic services, other special education services for
15 children with disabilities and reimbursement as provided in
16 Section 14-13.01. There shall be no reimbursement for
17 construction and maintenance of any administrative facility
18 separated from special education facilities designed and
19 utilized to house instructional programs, diagnostic services
20 and other special education services for children with
21 disabilities.

22 (a) For children who have not been identified as
23 eligible for special education and for eligible children with
24 physical disabilities, including all eligible children whose
25 placement has been determined under Section 14-8.02 in
26 hospital or home instruction, 1/2 of the teacher's salary but
27 not more than \$1,000 annually per child or \$8,000 per teacher
28 for the 1985-1986 school year and thereafter, whichever is
29 less. Children to be included in any reimbursement under
30 this paragraph must regularly receive a minimum of one hour
31 of instruction each school day, or in lieu thereof of a
32 minimum of 5 hours of instruction in each school week in
33 order to qualify for full reimbursement under this Section.

1 If the attending physician for such a child has certified
2 that the child should not receive as many as 5 hours of
3 instruction in a school week, however, reimbursement under
4 this paragraph on account of that child shall be computed
5 proportionate to the actual hours of instruction per week for
6 that child divided by 5.

7 (b) (Blank). ~~For children described in Section 14-1.02,~~
8 ~~4/5 of the cost of transportation for each such child, whom~~
9 ~~the State Superintendent of Education determined in advance~~
10 ~~requires special transportation service in order to take~~
11 ~~advantage of special educational facilities. Transportation~~
12 ~~costs shall be determined in the same fashion as provided in~~
13 ~~Section 29-5. For purposes of this subsection (b), the dates~~
14 ~~for processing claims specified in Section 29-5 shall apply.~~

15 (c) For each professional worker excluding those
16 included in subparagraphs (a), (d), (e), and (f) of this
17 Section, the annual sum of \$8,000 for the 1985-1986 school
18 year and thereafter.

19 (d) For one full time qualified director of the special
20 education program of each school district which maintains a
21 fully approved program of special education the annual sum of
22 \$8,000 for the 1985-1986 school year and thereafter.
23 Districts participating in a joint agreement special
24 education program shall not receive such reimbursement if
25 reimbursement is made for a director of the joint agreement
26 program.

27 (e) For each school psychologist as defined in Section
28 14-1.09 the annual sum of \$8,000 for the 1985-1986 school
29 year and thereafter.

30 (f) For each qualified teacher working in a fully
31 approved program for children of preschool age who are deaf
32 or hard-of-hearing the annual sum of \$8,000 for the 1985-1986
33 school year and thereafter.

34 (g) For readers, working with blind or partially seeing

1 children 1/2 of their salary but not more than \$400 annually
2 per child. Readers may be employed to assist such children
3 and shall not be required to be certified but prior to
4 employment shall meet standards set up by the State Board of
5 Education.

6 (h) For necessary non-certified employees working in any
7 class or program for children defined in this Article, 1/2 of
8 the salary paid or \$2,800 annually per employee, whichever is
9 less.

10 The State Board of Education shall set standards and
11 prescribe rules for determining the allocation of
12 reimbursement under this section on less than a full time
13 basis and for less than a school year.

14 When any school district eligible for reimbursement under
15 this Section operates a school or program approved by the
16 State Superintendent of Education for a number of days in
17 excess of the adopted school calendar but not to exceed 235
18 school days, such reimbursement shall be increased by 1/185
19 of the amount or rate paid hereunder for each day such school
20 is operated in excess of 185 days per calendar year.

21 Notwithstanding any other provision of law, any school
22 district receiving a payment under this Section or under
23 Section 14-7.02, 14-7.02a, or 29-5 of this Code may classify
24 all or a portion of the funds that it receives in a
25 particular fiscal year or from general State aid pursuant to
26 Section 18-8.05 of this Code as funds received in connection
27 with any funding program for which it is entitled to receive
28 funds from the State in that fiscal year (including, without
29 limitation, any funding program referenced in this Section),
30 regardless of the source or timing of the receipt. The
31 district may not classify more funds as funds received in
32 connection with the funding program than the district is
33 entitled to receive in that fiscal year for that program.
34 Any classification by a district must be made by a resolution

1 of its board of education. The resolution must identify the
2 amount of any payments or general State aid to be classified
3 under this paragraph and must specify the funding program to
4 which the funds are to be treated as received in connection
5 therewith. This resolution is controlling as to the
6 classification of funds referenced therein. A certified copy
7 of the resolution must be sent to the State Superintendent of
8 Education. The resolution shall still take effect even though
9 a copy of the resolution has not been sent to the State
10 Superintendent of Education in a timely manner. No
11 classification under this paragraph by a district shall
12 affect the total amount or timing of money the district is
13 entitled to receive under this Code. No classification under
14 this paragraph by a district shall in any way relieve the
15 district from or affect any requirements that otherwise would
16 apply with respect to that funding program, including any
17 accounting of funds by source, reporting expenditures by
18 original source and purpose, reporting requirements, or
19 requirements of providing services.

20 (Source: P.A. 92-568, eff. 6-26-02.)

21 (105 ILCS 5/29-5) (from Ch. 122, par. 29-5)

22 Sec. 29-5. Reimbursement by State for transportation.

23 (a) Any school district, other than a school district
24 organized under Article 34, maintaining a school, providing
25 transportation for students enrolled in special education
26 programs, transporting non-public school students under
27 Section 29-4, transporting resident pupils to another school
28 district's vocational program, offered through a joint
29 agreement approved by the State Board of Education, as
30 provided in Section 10-22.22, or transporting its resident
31 pupils to a school which meets the standards for recognition
32 as established by the State Board of Education which provides
33 transportation meeting the standards of safety, comfort,

1 convenience, efficiency, and operation prescribed by the
2 State Board of Education for resident pupils in
3 pre-kindergarten through grade 12 or in adult education
4 programs operated by or on behalf of the school district
5 kindergarten--or--any--of--grades--1--through--12 who (i) (a)
6 reside at least 1 1/2 miles, as measured by the customary
7 route of travel, from the school attended; or (b) reside in
8 areas where conditions are such that walking constitutes a
9 hazard to the safety of the child when determined under
10 Section 29-3; and (ii) (e) are transported to the school
11 attended from pick-up points at the beginning of the school
12 day and back again at the close of the school day, are or
13 transported to and from their assigned attendance centers
14 during the school day, or are transported based upon the
15 contents of individualized education plans shall be
16 reimbursed by the State as hereinafter provided in this
17 Section. An entity other than a school district may not apply
18 for a transportation reimbursement.

19 The--State--will--pay--the--cost--of--transporting--eligible
20 pupils--less--the--assessed--valuation--in--a--dual--school--district
21 maintaining--secondary--grades--9--to--12--inclusive--times--a
22 qualifying--rate--of--.05%;--in--elementary--school--districts
23 maintaining--grades--K--to--8--times--a--qualifying--rate--of--.06%;--in
24 unit--districts--maintaining--grades--K--to--12--times--a--qualifying
25 rate--of--.07%.--To--be--eligible--to--receive--reimbursement--in
26 excess--of--4/5--of--the--cost--to--transport--eligible--pupils,--a
27 school--district--shall--have--a--Transportation--Fund--tax--rate--of
28 at--least--.12%.--If--a--school--district--does--not--have--a--.12%
29 Transportation--Fund--tax--rate,--the--amount--of--its--claim--in
30 excess--of--4/5--of--the--cost--of--transporting--pupils--shall--be
31 reduced--by--the--sum--arrived--at--by--subtracting--the
32 Transportation--Fund--tax--rate--from--.12%--and--multiplying--that
33 amount--by--the--districts--equalized--or--assessed--valuation,
34 provided,--that--in--no--case--shall--said--reduction--result--in

1 reimbursement of less than $4/5$ of the cost to transport
2 eligible pupils.

3 The minimum amount to be received by a district is \$16
4 times the number of eligible pupils transported.

5 Any such district transporting resident pupils during the
6 school day to an area vocational school or another school
7 district's vocational program more than $1\ 1/2$ miles from the
8 school attended, as provided in Sections 10-22.20a and
9 10-22.22, shall be reimbursed by the State for $4/5$ of the
10 cost of transporting eligible pupils.

11 School day means that period of time which the pupil is
12 required to be in attendance for instructional purposes.

13 If a pupil is at a location within the school district
14 other than his residence for child care purposes at the time
15 for transportation to school, that location may be considered
16 for purposes of determining the $1\ 1/2$ miles from the school
17 attended.

18 Claims for reimbursement that include children who attend
19 any school other than a public school shall show the number
20 of such children transported.

21 Claims for reimbursement under this Section shall not be
22 paid for the transportation of pupils for whom transportation
23 costs are claimed for payment under other Sections of this
24 Act.

25 The allowable direct cost of transporting pupils for
26 regular, vocational, and special education pupil
27 transportation shall be limited to the sum of the cost of
28 physical examinations required for employment as a school bus
29 driver; the salaries of full or part-time drivers and school
30 bus maintenance personnel; employee benefits excluding
31 Illinois municipal retirement payments, social security
32 payments, unemployment insurance payments and workers'
33 compensation insurance premiums; expenditures to independent
34 carriers who operate school buses; payments to other school

1 districts--for--pupil--transportation--services; pre-approved
2 contractual-expenditures-for-computerized-bus-scheduling; the
3 cost-of-gasoline, oil, tires, and--other--supplies--necessary
4 for--the--operation--of--school-buses; the-cost-of-converting
5 buses¹-gasoline-engines-to-more-fuel-efficient-engines-or--to
6 engines--which--use--alternative--energy-sources; the-cost-of
7 travel-to-meetings-and-workshops-conducted--by--the--regional
8 superintendent--or--the--State--Superintendent--of--Education
9 pursuant--to--the--standards--established-by-the-Secretary-of
10 State-under-Section-6-106-of-the--Illinois--Vehicle--Code--to
11 improve-the-driving-skills-of-school-bus-drivers; the-cost-of
12 maintenance--of--school--buses--including-parts-and-materials
13 used;--expenditures--for--leasing--transportation--vehicles,
14 except--interest--and--service-charges; the-cost-of-insurance
15 and-licenses-for-transportation--vehicles;--expenditures--for
16 the--rental--of-transportation-equipment; plus-a-depreciation
17 allowance-of-20%-for-5-years-for-school--buses--and--vehicles
18 approved--for--transporting--pupils--to-and-from-school-and-a
19 depreciation--allowance--of--10%--for--10--years--for--other
20 transportation--equipment--so--used. In-addition-to-the-above
21 allowable--costs--school--districts--shall--also--claim--all
22 transportation--supervisory--salary-costs, including-Illinois
23 municipal-retirement-payments, and-all-transportation-related
24 building-and-building-maintenance-costs-without-limitation.

25 Special-education--allowable--costs--shall--also--include
26 expenditures-for-the-salaries-of-attendants-or-aides-for-that
27 portion--of--the--time--they--assist-special-education-pupils
28 while-in-transit-and--expenditures--for--parents--and--public
29 carriers--for--transporting--special--education--pupils--when
30 pre-approved-by-the-State-Superintendent-of-Education.

31 Indirect--costs--shall--be--included-in-the-reimbursement
32 claim-for-districts-which-own-and-operate--their--own--school
33 buses.---Such--indirect--costs--shall--include-administrative
34 costs, or-any-costs-attributable-to-transporting-pupils--from

1 their--attendance--centers--to--another--school--building--for
2 instructional--purposes.--No--school--district--which--owns--and
3 operates--its--own--school--buses--may--claim--reimbursement--for
4 indirect--costs--which--exceed--5%--of--the--total--allowable--direct
5 costs--for--pupil--transportation.

6 (b) The State Board of Education shall prescribe uniform
7 regulations for determining the costs of providing
8 transportation using school district-based cost accounting
9 principles, including all costs associated with the provision
10 of transportation services and transportation costs incurred
11 by a district to accomplish transportation of staff between
12 attendance centers to provide required educational services
13 or to enhance curriculum offerings when done in lieu of
14 transporting students.

15 (c) All students transported by the school district as
16 authorized in this Article may be claimed for transportation
17 reimbursement by the school district. Claims shall include
18 allowable costs provided in the State Board of Education's
19 regulations and the number of students transported as
20 follows:

21 (1) special education students transported on
22 special routes in conformance with their individualized
23 education plans; and

24 (2) all students transported on all routes,
25 excluding those students listed in subdivision (1) of
26 this subsection (c).

27 (d) The following formula shall be used to determine
28 State transportation reimbursement:

29 (1) The number of weighted pupils transported by
30 each school district shall be determined by multiplying
31 the number of special education students transported by
32 the district by the ratio of the statewide average cost
33 per pupil of providing special education transportation
34 to the statewide average cost per pupil of providing all

1 transportation and by adding this product to the total
2 number of all other students transported by the district.
3 The ratio of the statewide average cost per pupil of
4 providing special education transportation to the
5 statewide average cost per pupil of providing all
6 transportation shall be initially calculated using fiscal
7 year 2003 data and formulas. The ratio shall be updated
8 every 5 years beginning with fiscal year 2008 using
9 current data and formulas from a stratified random sample
10 of districts.

11 (2) The district's threshold contribution per
12 weighted pupil transported shall be determined by
13 multiplying a tax rate of 0.06% for districts maintaining
14 grades 1 through 8, 0.06% for districts maintaining
15 grades 9 through 12, and 0.10% for districts maintaining
16 grades K through 12 by the equalized assessed valuation
17 of the real property of the district as determined under
18 subsection (G) of Section 18-8.05 of this Code and by
19 dividing this product by the number of weighted pupils
20 transported by the district.

21 (3) The district's average cost per weighted pupil
22 transported shall be determined by dividing the total
23 cost for providing all transportation services reported
24 by the district by the number of weighted pupils
25 transported by the district.

26 (4) The State shall reimburse 100% of the
27 district's transportation costs between the district's
28 threshold contribution per weighted pupil transported
29 established by subdivision (2) of this subsection (d) and
30 the lesser of (i) the statewide average cost per pupil
31 transported or (ii) the district's average cost per
32 weighted pupil transported.

33 (5) The State shall reimburse 50% of the district's
34 transportation costs between the district's average cost

1 per weighted pupil transported and 150% of the statewide
2 average cost per pupil transported less any threshold
3 revenue that exceeds the statewide average cost per pupil
4 transported.

5 (6) The State shall reimburse 25% of the district's
6 average costs per weighted pupil transported in excess of
7 150% of the statewide average cost per pupil transported
8 less any threshold revenue that exceeds 150% of the
9 statewide average cost per pupil transported.

10 (7) The district's total reimbursement shall be the
11 sum of the amounts specified in subdivisions (4), (5),
12 and (6) of this subsection (d) multiplied by the number
13 of weighted pupils transported by the district.

14 If the appropriation for a fiscal year is insufficient to
15 reimburse districts at 100% of the eligible claims as
16 calculated in this Section, proration shall occur in reverse
17 order of subdivisions (4), (5), and (6) of this subsection
18 (d) in a manner as determined by the State Board of
19 Education.

20 If a district's reimbursement for fiscal year 2004, 2005,
21 or 2006 is less than its reimbursement entitlement for fiscal
22 year 2003 under the provisions of this Section as they
23 existed before the effective date of this amendatory Act of
24 the 93rd General Assembly, the district shall receive an
25 additional payment from funds appropriated for this purpose
26 so that its reimbursement is not less than the amount paid
27 for fiscal year 2003. The amount of the additional payment
28 shall be the difference between the district's reimbursement
29 calculated under the provisions of this Section and the
30 amount that the district was paid for fiscal year 2003. above
31 standards--and--shall--prescribe--forms--of--cost--accounting--and
32 standards--of--determining--reasonable--depreciation.---Such
33 depreciation--shall--include--the--cost--of--equipping--school--buses
34 with--the--safety--features--required--by--law--or--by--the--rules,

1 regulations-and-standards-promulgated-by-the-State--Board--of
2 Education,--and--the--Department--of--Transportation--for-the
3 safety-and-construction-of-school--buses--provided,--however,
4 any---equipment---cost---reimbursed---by--the--Department--of
5 Transportation-for-equipping-school-buses--with--such--safety
6 equipment--shall--be--deducted-from-the-allowable-cost-in-the
7 computation-of-reimbursement-under-this-Section-in--the--same
8 percentage-as-the-cost-of-the-equipment-is-depreciated.

9 (e) On--or--before-July-10,--annually,--the-board-clerk-or
10 the-secretary-of The district shall certify-to--the--regional
11 superintendent--of-schools-upon-forms-prescribed-by-the-State
12 Superintendent--of--Education--the---district's---claim---for
13 reimbursement--for--the--school--year--ended--on-June-30-next
14 preceding.--The--regional--superintendent--of--schools--shall
15 check--all-transportation-claims-to-ascertain-compliance-with
16 the-prescribed-standards-and-upon-his-approval-shall certify
17 not later than July 25 to the State Superintendent of
18 Education the district's claim regional-report-of-claims for
19 reimbursement reimbursements. The State Superintendent of
20 Education shall check and approve the claims and prepare the
21 vouchers showing the amounts due for district reimbursement
22 claims. Beginning-with--the--1977--fiscal--year, The State
23 Superintendent of Education shall prepare and transmit the
24 first 3 vouchers to the Comptroller on the 30th day of
25 September, December and March, respectively, and the final
26 voucher, no later than June 15.

27 If---the---amount---appropriated---for---transportation
28 reimbursement--is--insufficient--to-fund-total-claims-for-any
29 fiscal-year,--the-State-Board-of-Education-shall--reduce--each
30 school--district's--allowable--costs--and--flat--grant-amount
31 proportionately-to-make-total-adjusted-claims-equal-the-total
32 amount-appropriated.

33 For-purposes--of--calculating--claims--for--reimbursement
34 under--this--Section--for--any--school-year-beginning-July-1,

1 1998, or thereafter, the equalized assessed valuation for a
2 school district used to compute reimbursement shall be
3 computed in the same manner as it is computed under paragraph
4 (2) of subsection (G) of Section 18-8.05.

5 All reimbursements received from the State shall be
6 deposited into the district's transportation fund or into the
7 fund from which the allowable expenditures were made.

8 Notwithstanding any other provision of law, any school
9 district receiving a payment under this Section or under
10 Section 14-7.02, 14-7.02a, or 14-13.01 of this Code may
11 classify all or a portion of the funds that it receives in a
12 particular fiscal year or from general State aid pursuant to
13 Section 18-8.05 of this Code as funds received in connection
14 with any funding program for which it is entitled to receive
15 funds from the State in that fiscal year (including, without
16 limitation, any funding program referenced in this Section),
17 regardless of the source or timing of the receipt. The
18 district may not classify more funds as funds received in
19 connection with the funding program than the district is
20 entitled to receive in that fiscal year for that program.
21 Any classification by a district must be made by a resolution
22 of its board of education. The resolution must identify the
23 amount of any payments or general State aid to be classified
24 under this paragraph and must specify the funding program to
25 which the funds are to be treated as received in connection
26 therewith. This resolution is controlling as to the
27 classification of funds referenced therein. A certified copy
28 of the resolution must be sent to the State Superintendent of
29 Education. The resolution shall still take effect even though
30 a copy of the resolution has not been sent to the State
31 Superintendent of Education in a timely manner. No
32 classification under this paragraph by a district shall
33 affect the total amount or timing of money the district is
34 entitled to receive under this Code. No classification

1 under this paragraph by a district shall in any way relieve
2 the district from or affect any requirements that otherwise
3 would apply with respect to that funding program, including
4 any accounting of funds by source, reporting expenditures by
5 original source and purpose, reporting requirements, or
6 requirements of providing services.

7 Any school district with a population of not more than
8 500,000 must deposit all funds received under this Article
9 into the transportation fund and use those funds for the
10 provision of transportation services.

11 (Source: P.A. 91-96, eff. 7-9-99; 92-568, eff. 6-26-02.)

12 (105 ILCS 5/29-5a new)

13 Sec. 29-5a. Transportation appropriation for a district
14 organized under Article 34. Annually the State Superintendent
15 of Education shall request an appropriation for
16 transportation expenses incurred by a school district
17 organized under Article 34 of this Code. Each year the
18 appropriation request shall be increased in the same
19 proportion as appropriation requests are increased under
20 Section 29-5 of this Code. The appropriation shall be paid
21 directly to the district as part of a block grant under
22 Section 1D-1 of this Code.

23 (105 ILCS 5/2-3.51.5 rep.)

24 Section 20-10. The School Code is amended by repealing
25 Section 2-3.51.5.

26 ARTICLE 25

27 Section 25-5. The Illinois Pension Code is amended by
28 changing Sections 7-171, 21-110, and 21-110.1 as follows:

29 (40 ILCS 5/7-171) (from Ch. 108 1/2, par. 7-171)

1 Sec. 7-171. Finance; taxes.

2 (a) Each municipality other than a school district shall
3 appropriate an amount sufficient to provide for the current
4 municipality contributions required by Section 7-172 of this
5 Article, for the fiscal year for which the appropriation is
6 made and all amounts due for municipal contributions for
7 previous years. Those municipalities which have been assessed
8 an annual amount to amortize its unfunded obligation, as
9 provided in subparagraph 5 of paragraph (a) of Section 7-172
10 of this Article, shall include in the appropriation an amount
11 sufficient to pay the amount assessed. The appropriation
12 shall be based upon an estimate of assets available for
13 municipality contributions and liabilities therefor for the
14 fiscal year for which appropriations are to be made,
15 including funds available from levies for this purpose in
16 prior years.

17 (b) For the purpose of providing monies for municipality
18 contributions, beginning for the year in which a municipality
19 is included in this fund:

20 (1) A municipality other than a school district may
21 levy a tax which shall not exceed the amount appropriated
22 for municipality contributions.

23 (2) A school district may levy a tax (i) in an
24 amount reasonably calculated at the time of the levy to
25 provide for the municipality contributions required under
26 Section 7-172 of this Article for the fiscal years for
27 which revenues from the levy will be received and all
28 amounts due for municipal contributions for previous
29 years, (ii) in an amount necessary to meet the cost of
30 participation in the Federal Social Security Insurance
31 Program, and (iii) in an amount necessary to meet the
32 cost of participation in the Federal Medicare Program,
33 including any share of the cost of participation of an
34 instrumentality or entity described in subdivision (b) or

1 (c) of Section 21-102.8 for which the school district is
2 responsible, without regard to whether that participation
3 is mandatory or optional and without regard to whether
4 the school district has otherwise come under the
5 provisions of Article 21 for purposes of participation in
6 the Federal Social Security Insurance Program. Any levy
7 adopted before the effective date of this amendatory Act
8 of 1995 by a school district shall be considered valid
9 and authorized to the extent that the amount was
10 reasonably calculated at the time of the levy to provide
11 for the municipality contributions required under Section
12 7-172 for the fiscal years for which revenues from the
13 levy will be received and all amounts due for municipal
14 contributions for previous years. In no event shall a
15 budget adopted by a school district limit a levy of that
16 school district adopted under this Section.

17 (c) Any county which is served by a regional office of
18 education that serves 2 or more counties may include in its
19 appropriation an amount sufficient to provide its
20 proportionate share of the municipality contributions for
21 that regional office of education. The tax levy authorized
22 by this Section may include an amount necessary to provide
23 monies for this contribution.

24 (d) Any county that is a part of a multiple-county
25 health department or consolidated health department which is
26 formed under "An Act in relation to the establishment and
27 maintenance of county and multiple-county public health
28 departments", approved July 9, 1943, as amended, and which is
29 a participating instrumentality may include in the county's
30 appropriation an amount sufficient to provide its
31 proportionate share of municipality contributions of the
32 department. The tax levy authorized by this Section may
33 include the amount necessary to provide monies for this
34 contribution.

1 (d-5) A school district participating in a special
2 education joint agreement created under Section 10-22.31 of
3 the School Code that is a participating instrumentality may
4 include in the school district's tax levy under this Section
5 an amount sufficient to provide its proportionate share of
6 the municipality contributions for current and prior service
7 by employees of the participating instrumentality created
8 under the joint agreement.

9 (e) Such tax shall be levied and collected in like
10 manner, with the general taxes of the municipality and shall
11 be in addition to all other taxes which the municipality is
12 now or may hereafter be authorized to levy upon all taxable
13 property therein, and shall be exclusive of and in addition
14 to the amount of tax levied for general purposes under
15 Section 8-3-1 of the "Illinois Municipal Code", approved May
16 29, 1961, as amended, or under any other law or laws which
17 may limit the amount of tax which the municipality may levy
18 for general purposes. The tax may be levied by the governing
19 body of the municipality without being authorized as being
20 additional to all other taxes by a vote of the people of the
21 municipality.

22 (f) The county clerk of the county in which any such
23 municipality is located, in reducing tax levies shall not
24 consider any such tax as a part of the general tax levy for
25 municipality purposes, and shall not include the same in the
26 limitation of any other tax rate which may be extended.

27 (g) The amount of the tax to be levied in any year
28 shall, within the limits herein prescribed, be determined by
29 the governing body of the respective municipality.

30 (h) The revenue derived from any such tax levy shall be
31 used only for the purposes specified in this Article and, as
32 collected, shall be paid to the treasurer of the municipality
33 levying the tax. Monies received by a county treasurer for
34 use in making contributions to a regional office of education

1 for its municipality contributions shall be held by him for
2 that purpose and paid to the regional office of education in
3 the same manner as other monies appropriated for the expense
4 of the regional office.

5 (i) The payment of Medicare taxes to the State agency
6 shall be made in the same manner and under the same
7 conditions as are set forth in Section 21-109 for payment of
8 Social Security contributions, except that the State agency
9 may designate a retirement system to assume responsibility to
10 the State agency for the compiling of wage data, the
11 collection of Medicare taxes, and the timely reporting and
12 payment of these items for specified persons under mandatory
13 or optional Medicare coverage, regardless of whether the
14 retirement system has entered into a coverage agreement for
15 Social Security coverage pursuant to Section 21-105.

16 (j) The penalty and audit provisions of Sections 21-112,
17 21-113, and 21-114 shall apply to the failure or refusal to
18 make timely and correct payments of Medicare taxes or reports
19 of wages in accordance with State agency rules.

20 (Source: P.A. 89-329, eff. 8-17-95; 90-448, eff. 8-16-97;
21 90-511, eff. 8-22-97; 90-655, eff. 7-30-98.)

22 (40 ILCS 5/21-110) (from Ch. 108 1/2, par. 21-110)
23 Sec. 21-110. Tax levy. The governing body of any
24 political subdivision with the power to levy taxes (except a
25 school district having a population of fewer than 500,000) is
26 hereby authorized and empowered to increase its annual tax
27 levy above the limitation now or hereafter otherwise
28 authorized by law, by the amount necessary to meet the cost
29 of participation in the Federal Social Security Insurance
30 Program, including any share of the cost of participation of
31 an instrumentality or entity described in subsection (b) or
32 (c) of Section 21-102.8 for which the political subdivision
33 is responsible, without regard to whether such participation

1 is mandatory or optional, and without regard to whether the
2 political subdivision has otherwise come under the provisions
3 of this Article for purposes of participation in the Federal
4 Social Security Insurance Program.

5 (Source: P.A. 87-11.)

6 (40 ILCS 5/21-110.1) (from Ch. 108 1/2, par. 21-110.1)
7 Sec. 21-110.1. Medicare taxes.

8 (a) The governing body of every political subdivision
9 with the power to levy taxes (except a school district having
10 a population of fewer than 500,000) is hereby authorized and
11 empowered to increase its annual tax levy above the
12 limitation now or hereafter otherwise authorized by law, by
13 the amount necessary to meet the cost of its participation in
14 the Federal Medicare Program, including any share of the cost
15 of participation of an instrumentality or entity described in
16 subsection (b) or (c) of Section 21-102.8 for which the
17 political subdivision is responsible, without regard to
18 whether such participation is mandatory or optional, and
19 without regard to whether the political subdivision has come
20 under the provisions of this Article for purposes of
21 participation in the Federal Social Security Insurance
22 Program.

23 (b) The payment of medicare taxes to the State Agency
24 shall be made in the same manner and under the same
25 conditions as are set forth in Section 21-109 for payment of
26 Social Security contributions, except that the State Agency
27 may designate a retirement system to assume responsibility to
28 the State Agency for the compiling of wage data, the
29 collection of medicare taxes, and the timely reporting and
30 payment of such items for specified persons under mandatory
31 or optional medicare coverage, regardless of whether such
32 retirement system has entered into a coverage agreement for
33 Social Security coverage pursuant to Section 21-105.

1 (c) The penalty and audit provisions of Sections 21-112,
2 21-113 and 21-114 shall apply to the failure or refusal to
3 make timely and correct payments of medicare taxes or reports
4 of wages in accordance with State Agency regulations.

5 (Source: P.A. 84-1472.)

6 Section 25-10. The School Code is amended by changing
7 Sections 2-3.77, 10-22.31, 10-22.44, 11A-15, 17-2, 17-2.2c,
8 17-2.11, 17-2C, 17-3, 17-3.2, 17-3.4, 17-7, 17-8, 17-9,
9 17-11, 17-12, 17-16, 19-30, 19-31, 20-1, 20-2, 20-3, 20-4,
10 20-5, 20-6, 20-7, 35-5, 35-7, and 35-25, by changing the
11 heading of Article 20, and by adding Sections 17-1.10,
12 17-1.15, and 20-10 as follows:

13 (105 ILCS 5/2-3.77) (from Ch. 122, par. 2-3.77)

14 Sec. 2-3.77. Temporary relocation expenses.

15 (a) The State Board of Education may distribute loan or
16 grant moneys appropriated for temporary relocation expenses
17 incurred by school districts as a result of fires,
18 earthquakes, tornados, or other natural or man-made disasters
19 which destroy school buildings, or as a result of the
20 condemnation of a school building under Section 3-14.22. The
21 State Board of Education shall by rule prescribe those
22 expenses which qualify as temporary relocation expenses and
23 the manner of determining and reporting the same, provided
24 that such expenses shall be deemed to include amounts
25 reasonably required to be expended for the lease, rental, and
26 renovation of educational facilities and for additional
27 transportation and other expenses directly associated with
28 the temporary relocation and housing of the normal
29 operations, activities, and affairs of a school district.

30 (b) Except as provided in subsection (c), no moneys
31 appropriated to the State Board of Education for purposes of
32 distribution in accordance with the provisions of this

1 Section shall be distributed to any school district unless
2 the school board of such district, as an express condition of
3 any such distribution, agrees ~~to levy the tax provided for by~~
4 ~~Section 17-2.2e at the maximum rate permitted thereunder--and~~
5 to pay to the State of Illinois for deposit in the Temporary
6 Relocation Expenses Revolving Grant Fund ~~(i) all proceeds--of~~
7 ~~such--tax--attributable to the first year and succeeding years~~
8 ~~for which the tax is levied--after--moneys--appropriated--for~~
9 ~~purposes--of this Section have been distributed to the school~~
10 ~~district,~~ ~~--and--(ii)~~ all insurance proceeds which become
11 payable to the district under those provisions of any
12 contract or policy of insurance which provide reimbursement
13 for or other coverage against loss with respect to any
14 temporary relocation expenses of the school district;
15 provided, that the aggregate ~~--of--any--tax--and~~ insurance
16 proceeds paid by the school district to the State pursuant to
17 this Section shall not exceed in amount the moneys
18 distributed to the school district pursuant to this Section.

19 (c) The State Board of Education may, from
20 appropriations made for this purpose from the Temporary
21 Relocation Expenses Revolving Grant Fund, make grants that do
22 not require repayment to school districts that qualify for
23 temporary relocation assistance under this Section to the
24 extent that the amount of temporary relocation expenses
25 incurred by a district exceeds the amount that the district
26 is able to repay to the State through insurance proceeds ~~and~~
27 ~~the tax levy authorized in Section 17-2.2e.~~

28 (d) The Temporary Relocation Expenses Revolving Grant
29 Fund is hereby established as a special fund within the State
30 treasury. Appropriations and amounts that school districts
31 repay to the State under subsection (b) of this Section shall
32 be deposited into that Fund. If the balance in that Fund
33 exceeds \$3,000,000, the excess shall be transferred into the
34 General Revenue Fund.

1 (e) The State Board of Education shall promulgate such
2 rules and regulations, not inconsistent with the provisions
3 of this Section, as are necessary to provide for the
4 distribution of loan and grant moneys and for the repayment
5 of loan moneys distributed pursuant to this Section.

6 (Source: P.A. 90-464, eff. 8-17-97.)

7 (105 ILCS 5/10-22.31) (from Ch. 122, par. 10-22.31)

8 Sec. 10-22.31. Special education.

9 (a) To enter into joint agreements with other school
10 boards to provide the needed special educational facilities
11 and to employ a director and other professional workers as
12 defined in Section 14-1.10 and to establish facilities as
13 defined in Section 14-1.08 for the types of children
14 described in Sections 14-1.02 through 14-1.07. The director
15 (who may be employed under a multi-year contract as provided
16 in subsection (c) of this Section) and other professional
17 workers may be employed by one district, which shall be
18 reimbursed on a mutually agreed basis by other districts that
19 are parties to the joint agreement. Such agreements may
20 provide that one district may supply professional workers for
21 a joint program conducted in another district. Such
22 agreement shall provide that any full-time school
23 psychologist who is employed by a joint agreement program and
24 spends over 50% of his or her time in one school district
25 shall not be required to work a different teaching schedule
26 than the other school psychologists in that district. Such
27 agreement shall include, but not be limited to, provisions
28 for administration, staff, programs, financing, housing,
29 transportation, an advisory body, and the withdrawal of
30 districts from the joint agreement. Except as otherwise
31 provided in Section 10-22.31.1, the withdrawal of districts
32 from the joint agreement shall be by petition to the regional
33 board of school trustees. Such agreement may be amended at

1 any time as provided in the joint agreement or, if the joint
2 agreement does not so provide, then such agreement may be
3 amended at any time upon the adoption of concurring
4 resolutions by the school boards of all member districts. A
5 fully executed copy of any such agreement or amendment
6 entered into on or after January 1, 1989 shall be filed with
7 the State Board of Education. Such petitions for withdrawal
8 shall be made to the regional board of school trustees of all
9 counties having jurisdiction over one or more of the
10 districts in the joint agreement. Upon receipt of a petition
11 for withdrawal, the regional boards of school trustees having
12 jurisdiction over the cooperating districts shall publish
13 notice of and conduct a joint hearing on the issue as
14 provided in Section 7-6. No such petition may be considered,
15 however, unless in compliance with Section 7-8. If approved
16 by a 2/3 vote of all trustees of those regional boards, at a
17 joint meeting, the withdrawal takes effect as provided in
18 Section 7-9 of this Act.

19 (b) To either (1) designate an administrative district
20 to act as fiscal and legal agent for the districts that are
21 parties to the joint agreement, or (2) designate a governing
22 board composed of one member of the school board of each
23 cooperating district and designated by such boards to act in
24 accordance with the joint agreement. No such governing board
25 may levy taxes and no such governing board may incur any
26 indebtedness except within an annual budget for the joint
27 agreement approved by the governing board and by the boards
28 of at least a majority of the cooperating school districts or
29 a number of districts greater than a majority if required by
30 the joint agreement. The governing board may appoint an
31 executive board of at least 7 members to administer the joint
32 agreement in accordance with its terms. However, if 7 or more
33 school districts are parties to a joint agreement that does
34 not have an administrative district: (i) at least a majority

1 of the members appointed by the governing board to the
2 executive board shall be members of the school boards of the
3 cooperating districts; or (ii) if the governing board wishes
4 to appoint members who are not school board members, they
5 shall be superintendents from the cooperating districts.

6 (c) To employ a director of a joint agreement program
7 under a multi-year contract. No such contract can be offered
8 or accepted for less than or more than 3 years, except for a
9 person serving as a director of a special education joint
10 agreement for the first time in Illinois. In such a case,
11 the initial contract shall be for a 2 year period. Such
12 contract may be discontinued at any time by mutual agreement
13 of the contracting parties, or may be extended for an
14 additional 3 years at the end of any year.

15 The contract year is July 1 through the following June
16 30th, unless the contract specifically provides otherwise.
17 Notice of intent not to renew a contract when given by a
18 controlling board or administrative district must be in
19 writing stating the specific reason therefor. Notice of
20 intent not to renew the contract must be given by the
21 controlling board or the administrative district at least 90
22 days before the contract expires. Failure to do so will
23 automatically extend the contract for one additional year.

24 By accepting the terms of the multi-year contract, the
25 director of a special education joint agreement waives all
26 rights granted under Sections 24-11 through 24-16 for the
27 duration of his or her employment as a director of a special
28 education joint agreement.

29 (d) To designate a district that is a party to the joint
30 agreement as the issuer of bonds or notes for the purposes
31 and in the manner provided in this Section. It is not
32 necessary for such district to also be the administrative
33 district for the joint agreement, nor is it necessary for the
34 same district to be designated as the issuer of all series of

1 bonds or notes issued hereunder. Any district so designated
2 may, from time to time, borrow money and, in evidence of its
3 obligation to repay the borrowing, issue its negotiable bonds
4 or notes for the purpose of acquiring, constructing,
5 altering, repairing, enlarging and equipping any building or
6 portion thereof, together with any land or interest therein,
7 necessary to provide special educational facilities and
8 services as defined in Section 14-1.08. Title in and to any
9 such facilities shall be held in accordance with the joint
10 agreement.

11 Any such bonds or notes shall be authorized by a
12 resolution of the board of education of the issuing district.
13 The resolution may contain such covenants as may be deemed
14 necessary or advisable by the district to assure the payment
15 of the bonds or notes. The resolution shall be effective
16 immediately upon its adoption.

17 Prior to the issuance of such bonds or notes, each school
18 district that is a party to the joint agreement shall agree,
19 whether by amendment to the joint agreement or by resolution
20 of the board of education, to be jointly and severally liable
21 for the payment of the bonds and notes. The bonds or notes
22 shall be payable solely and only from the payments made
23 pursuant to such agreement.

24 Neither the bonds or notes nor the obligation to pay the
25 bonds or notes under any joint agreement shall constitute an
26 indebtedness of any district, including the issuing district,
27 within the meaning of any constitutional or statutory
28 limitation.

29 As long as any bonds or notes are outstanding and unpaid,
30 the agreement by a district to pay the bonds and notes shall
31 be irrevocable notwithstanding the district's withdrawal from
32 membership in the joint special education program.

33 (e) If a district whose employees are on strike was,
34 prior to the strike, sending students with disabilities to

1 special educational facilities and services in another
2 district or cooperative, the district affected by the strike
3 shall continue to send such students during the strike and
4 shall be eligible to receive appropriate State reimbursement.

5 (f) With respect to those joint agreements that have a
6 governing board composed of one member of the school board of
7 each cooperating district and designated by those boards to
8 act in accordance with the joint agreement, the governing
9 board shall have, in addition to its other powers under this
10 Section, the authority to issue bonds or notes for the
11 purposes and in the manner provided in this subsection. The
12 governing board of the joint agreement may from time to time
13 borrow money and, in evidence of its obligation to repay the
14 borrowing, issue its negotiable bonds or notes for the
15 purpose of acquiring, constructing, altering, repairing,
16 enlarging and equipping any building or portion thereof,
17 together with any land or interest therein, necessary to
18 provide special educational facilities and services as
19 defined in Section 14-1.08 and including also facilities for
20 activities of administration and educational support
21 personnel employees. Title in and to any such facilities
22 shall be held in accordance with the joint agreement.

23 Any such bonds or notes shall be authorized by a
24 resolution of the governing board. The resolution may
25 contain such covenants as may be deemed necessary or
26 advisable by the governing board to assure the payment of the
27 bonds or notes and interest accruing thereon. The resolution
28 shall be effective immediately upon its adoption.

29 Each school district that is a party to the joint
30 agreement shall be automatically liable, by virtue of its
31 membership in the joint agreement, for its proportionate
32 share of the principal amount of the bonds and notes plus
33 interest accruing thereon, as provided in the resolution.
34 Subject to the joint and several liability hereinafter

1 provided for, the resolution may provide for different
2 payment schedules for different districts except that the
3 aggregate amount of scheduled payments for each district
4 shall be equal to its proportionate share of the debt service
5 in the bonds or notes based upon the fraction that its
6 equalized assessed valuation bears to the total equalized
7 assessed valuation of all the district members of the joint
8 agreement as adjusted in the manner hereinafter provided. In
9 computing that fraction the most recent available equalized
10 assessed valuation at the time of the issuance of the bonds
11 and notes shall be used, and the equalized assessed valuation
12 of any district maintaining grades K to 12 shall be doubled
13 in both the numerator and denominator of the fraction used
14 for all of the districts that are members of the joint
15 agreement. In case of default in payment by any member, each
16 school district that is a party to the joint agreement shall
17 automatically be jointly and severally liable for the amount
18 of any deficiency. The bonds or notes and interest thereon
19 shall be payable solely and only from the funds made
20 available pursuant to the procedures set forth in this
21 subsection. No project authorized under this subsection may
22 require an annual contribution for bond payments from any
23 member district in excess of 0.15% of the value of taxable
24 property as equalized or assessed by the Department of
25 Revenue in the case of districts maintaining grades K-8 or
26 9-12 and 0.30% of the value of taxable property as equalized
27 or assessed by the Department of Revenue in the case of
28 districts maintaining grades K-12. This limitation on taxing
29 authority is expressly applicable to taxing authority
30 provided under Section 17-9 and other applicable Sections of
31 this Act. Nothing contained in this subsection shall be
32 construed as an exception to the property tax limitations
33 contained in Section 17-2~~7~~--17-2.2a~~7~~--17-5~~7~~ or any other
34 applicable Section of this Code Act.

1 Neither the bonds or notes nor the obligation to pay the
2 bonds or notes under any joint agreement shall constitute an
3 indebtedness of any district within the meaning of any
4 constitutional or statutory limitation.

5 As long as any bonds or notes are outstanding and unpaid,
6 the obligation of a district to pay its proportionate share
7 of the principal of and interest on the bonds and notes as
8 required in this Section shall be a general obligation of the
9 district payable from any and all sources of revenue
10 designated for that purpose by the board of education of the
11 district and shall be irrevocable notwithstanding the
12 district's withdrawal from membership in the joint special
13 education program.

14 (Source: P.A. 89-397, eff. 8-20-95; 89-613, eff. 8-9-96;
15 89-626, eff. 8-9-96; 90-103, eff. 7-11-97; 90-515, eff.
16 8-22-97; 90-637, eff. 7-24-98; 90-655, eff. 7-30-98.)

17 (105 ILCS 5/10-22.44) (from Ch. 122, par. 10-22.44)

18 Sec. 10-22.44. To transfer the interest earned from any
19 moneys of the district in the respective fund of the district
20 that is most in need of such interest income, as determined
21 by the board. This Section does not apply to any interest
22 earned which has been earmarked or restricted by the board
23 for a designated purpose. This Section does not apply to any
24 interest earned on any funds for purposes of Illinois
25 Municipal Retirement under the Pension Code, Tort Immunity
26 under the Local Governmental and Governmental Employees Tort
27 Immunity Act, and Fire Prevention, Safety, Energy
28 Conservation and School Security Purposes under Section
29 17-2.11, ~~and Capital Improvements under Section 17-2.3.~~
30 Interest earned on these exempted funds shall be used only
31 for the purposes authorized for the respective exempted funds
32 from which the interest earnings were derived.

33 (Source: P.A. 87-984.)

1 (105 ILCS 5/11A-15) (from Ch. 122, par. 11A-15)

2 Sec. 11A-15. Joint agreement vocational education
3 program. Whenever a community unit school district is
4 established under the provisions of this Act and more than
5 50% of the territory of such community unit school district
6 is territory which immediately prior to its inclusion in such
7 community unit school district was included in a high school
8 district or districts which were signatories under the same
9 joint agreement vocational educational project, pursuant to
10 the provisions of this Act, then any such community unit
11 school district shall upon its establishment be deemed to be
12 a member and signatory to any such joint agreement and--shall
13 ~~also--have--the--right--to--continue--to--extend--any--previous~~
14 ~~authority--to--levy--a--tax--under--Section--17-2.4.~~ In those
15 instances, however, where more than 50% of the territory of
16 any community unit school district was not immediately prior
17 to its establishment included within the territory of any
18 such high school district which was a signatory to the same
19 joint agreement vocational educational program, then any such
20 community unit school district shall not be deemed upon its
21 establishment to be a signatory to any such joint agreement
22 ~~nor--shall--such--community-unit-school-district-be-deemed-to~~
23 ~~have--the--special--tax--levy--rights--under--Section--17-2.4--of--this~~
24 ~~Act.~~ Nothing herein shall be deemed to forbid such community
25 unit school district from subsequently joining any such joint
26 agreement vocational education program and--to--thereafter--levy
27 ~~a--tax--under--Section--17-2.4--of--this--Act--by--following--the~~
28 ~~provisions--of--such--Section.~~ In the event any such community
29 unit school district should subsequently join any such joint
30 agreement vocational education program, it shall be entitled
31 to a fair credit, as computed by the State Board of
32 Education, for any capital contributions previously made to
33 such joint agreement vocational education program from taxes
34 levied against the assessed valuation of property situated in

1 any part of the territory included within any such community
2 unit school district.

3 (Source: P.A. 83-686.)

4 (105 ILCS 5/17-1.10 new)

5 Section 17-1.10. References to educational purpose tax,
6 operations and maintenance purposes tax, or transportation
7 purposes tax. For tax years 2002 and thereafter, if involving
8 a school district having a population of less than 500,000
9 inhabitants, references to a school district's educational
10 purposes tax, operations and maintenance purposes tax, or
11 transportation purposes tax under this Code or any other law
12 of this State shall be deemed to refer to that district's
13 general educational purposes tax.

14 (105 ILCS 5/17-1.15 new)

15 Sec. 17-1.15. References to educational fund. If
16 involving a school district having a population of less than
17 500,000 inhabitants, references to a school district's
18 educational fund under this Code or any other law of this
19 State shall be deemed to refer to that district's general
20 educational fund.

21 (105 ILCS 5/17-2) (from Ch. 122, par. 17-2)

22 Sec. 17-2. Tax levies; purposes; rates. Except as
23 otherwise provided in Articles 12 and 13 of this Act, the
24 following maximum rates shall apply to all taxes levied after
25 the effective date of this amendatory Act of the 93rd General
26 Assembly August-10₇-1965₇, in districts having a population of
27 less than 500,000 inhabitants, including those districts
28 organized under Article 11 of the School Code. The school
29 board of any district having a population of less than
30 500,000 inhabitants may levy a tax annually, at not to exceed
31 the maximum rates and for the specified purposes, upon all

1 the taxable property of the district at the value, as
2 equalized or assessed by the Department of Revenue as
3 follows:

4 (1) Districts maintaining only grades 1 through 8,
5 1.36% for general educational purposes.

6 (2) Districts maintaining only grades 9 through 12,
7 1.36% for general educational purposes.

8 (3) Districts maintaining grades kindergarten
9 through 12, 2.63% for general educational purposes.

10 (1)--districts--maintaining--only--grades--1--through--8,
11 .92%--for--educational--purposes--and--.25%--for--operations--and
12 maintenance--purposes;

13 (2)--districts--maintaining--only--grades--9--through--12,
14 .92%--for--educational--purposes--and--.25%--for--operations--and
15 maintenance--purposes;

16 (3)--districts--maintaining--grades--1--through--12,
17 1.63%--for--the--1985--86--school--year,
18 1.68%--for--the--1986--87
19 school--year,
20 1.75%--for--the--1987--88--school--year--and--1.84%
21 for--the--1988--89--school--year--and--thereafter--for
22 educational--purposes--and--.405%--for--the--1989--90--school
23 year,
24 .435%--for--the--1990--91--school--year,
25 .465%--for--the
26 1991--92--school--year,
27 and--.50%--for--the--1992--93--school--year
28 and--thereafter--for--operations--and--maintenance--purposes;

24 (4)--all--districts,
25 .75%--for--capital--improvement
26 purposes--(which--is--in--addition--to--the--levy--for--operations
27 and--maintenance--purposes),
28 which--tax--is--to--be--levied,
29 accumulated--for--not--more--than--6--years,
30 and--spent--for
31 capital--improvement--purposes--(including--but--not--limited
32 to--the--construction--of--a--new--school--building--or--buildings
33 or--the--purchase--of--school--grounds--on--which--any--new--school
34 building--is--to--be--constructed--or--located,
or--both)--only
in--accordance--with--Section--17-2.3--of--this--Act;

33 (5)--districts--maintaining--only--grades--1--through--8,
34 .12%--for--transportation--purposes,
provided--that--districts

1 maintaining only grades kindergarten through 8 which have
2 an enrollment of at least 2600 students may levy, subject
3 to Section 17-2.2, at not to exceed a maximum rate of
4 .20% for transportation purposes for any school year in
5 which the number of students requiring transportation in
6 the district exceeds by at least 2% the number of
7 students requiring transportation in the district during
8 the preceding school year, as verified in the district's
9 claim for pupil transportation and reimbursement and as
10 certified by the State Board of Education to the county
11 clerk of the county in which such district is located not
12 later than November 15 following the submission of such
13 claim; districts maintaining only grades 9 through 12,
14 .12% for transportation purposes; and districts
15 maintaining grades 1 through 12, .14% for the 1985-86
16 school year, .16% for the 1986-87 school year, .18% for
17 the 1987-88 school year and .20% for the 1988-89 school
18 year and thereafter, for transportation purposes;

19 (6) districts providing summer classes, .15% for
20 educational purposes, subject to Section 17-2.1 of this
21 Act.

22 Whenever any special charter school district operating
23 grades 1 through 12, has organized or shall organize under
24 the general school law, the district so organized may
25 continue to levy taxes at not to exceed the rate at which
26 taxes were last actually extended by the special charter
27 district, except that if such rate at which taxes were last
28 actually extended by such special charter district was less
29 than the maximum rate for districts maintaining grades 1
30 through 12 authorized under this Section, such special
31 charter district nevertheless may levy taxes at a rate not to
32 exceed the maximum rate for districts maintaining grades 1
33 through 12 authorized under this Section, and except that if
34 any such district maintains only grades 1 through 8, the

1 board may levy, for general educational purposes, at a rate
2 not to exceed the maximum rate for elementary districts
3 authorized under this Section.

4 Whenever 2 or more school districts reorganize pursuant
5 to Article 11A or 11B of this Code into a district
6 maintaining grades kindergarten through 12, the newly formed
7 district may levy a tax annually, for general educational
8 purposes, at a rate not to exceed 2.67% upon all the taxable
9 property of the district at the value as equalized or
10 assessed by the Department of Revenue.

11 Maximum rates before or after established in excess of
12 those prescribed shall not be affected by the amendatory Act
13 of 1965.

14 (Source: P.A. 87-984; 87-1023; 88-45.)

15 (105 ILCS 5/17-2.2c) (from Ch. 122, par. 17-2.2c)

16 Sec. 17-2.2c. Tax for leasing educational facilities or
17 computer technology or both, ~~and for temporary relocation~~
18 ~~expense purposes.~~ The school board of any district, by
19 proper resolution, may levy an annual tax, in addition to any
20 other taxes and not subject to the limitations specified
21 elsewhere in this Article, not to exceed .05% upon the value
22 of the taxable property as equalized or assessed by the
23 Department of Revenue, for the purpose of leasing educational
24 facilities or computer technology or both, ~~and in order to~~
25 ~~repay the State all moneys distributed to it for temporary~~
26 ~~relocation expenses of the district, may levy an annual tax~~
27 ~~not to exceed .05% upon the value of the taxable property as~~
28 ~~equalized or assessed by the Department of Revenue for a~~
29 ~~period not to exceed 7 years for the purpose of providing for~~
30 ~~the repayment of moneys distributed for temporary relocation~~
31 ~~expenses of the school district pursuant to Section 2-3-77.~~

32 Whenever 2 or more school districts reorganize pursuant
33 to Article 11A or 11B of this Code into a district

1 maintaining grades kindergarten through 12, the newly formed
2 district may levy a tax annually, for leasing purposes, at a
3 rate not to exceed 0.10% upon all the taxable property of the
4 district at the value as equalized or assessed by the
5 Department of Revenue.

6 The tax rate limit specified by this Section with respect
7 to an annual tax levied for the purpose of leasing
8 educational facilities or computer technology or both may be
9 increased to .10% upon the approval of a proposition to
10 effect such increase by a majority of the electors voting on
11 that proposition at a regular scheduled election. Such
12 proposition may be initiated by resolution of the school
13 board and shall be certified by the secretary to the proper
14 election authorities for submission in accordance with the
15 general election law.

16 The district is authorized to pledge any tax levied
17 pursuant to this Section for the purpose of leasing
18 educational facilities or computer technology or both to
19 secure the payment of any lease, lease-purchase agreement, or
20 installment purchase agreement entered into by the district
21 for such purpose.

22 For the purposes of this Section, "leasing of educational
23 facilities or computer technology or both" includes any
24 payment with respect to a lease, lease-purchase agreement, or
25 installment purchase agreement to acquire or use buildings,
26 rooms, grounds, and appurtenances to be used by the district
27 for the use of schools or for school administration purposes
28 and all equipment, fixtures, renovations, and improvements to
29 existing facilities of the district necessary to accommodate
30 computers, as well as computer hardware and software.

31 Any school district may abolish or abate its fund for
32 leasing educational facilities or computer technology or both
33 ~~and--for--temporary--relocation--expense--purposes~~ upon the
34 adoption of a resolution so providing and upon a

1 determination by the school board that the moneys in the fund
2 are no longer needed for leasing educational facilities or
3 computer technology or both ~~or--for--temporary-relocation~~
4 ~~expense-purposes~~. The resolution shall direct the transfer
5 of any balance in the fund to another school district fund or
6 funds immediately upon the resolution taking effect.
7 Thereafter, any outstanding taxes of the school district
8 levied pursuant to this Section shall be collected and paid
9 into the fund or funds as directed by the school board.
10 Nothing in this Section shall prevent a school district that
11 has abolished or abated the fund from again creating a fund
12 for leasing educational facilities ~~and--for--temporary~~
13 ~~relocation-expense~~ purposes in the manner provided in this
14 Section.

15 (Source: P.A. 89-106, eff. 7-7-95; 90-97, eff. 7-11-97;
16 90-464, eff. 8-17-97; 90-655, eff. 7-30-98.)

17 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)
18 Sec. 17-2.11. School board power to levy a tax or to
19 borrow money and issue bonds for fire prevention, safety,
20 energy conservation, disabled accessibility, school security,
21 and specified repair purposes. Whenever, as a result of any
22 lawful order of any agency, other than a school board, having
23 authority to enforce any school building code applicable to
24 any facility that houses students, or any law or regulation
25 for the protection and safety of the environment, pursuant to
26 the Environmental Protection Act, any school district having
27 a population of less than 500,000 inhabitants is required to
28 alter or reconstruct any school building or permanent, fixed
29 equipment; or whenever any such district determines that it
30 is necessary for energy conservation purposes that any school
31 building or permanent, fixed equipment should be altered or
32 reconstructed and that such alterations or reconstruction
33 will be made with funds not necessary for the completion of

1 approved and recommended projects contained in any safety
2 survey report or amendments thereto authorized by Section
3 2-3.12 of this Act; or whenever any such district determines
4 that it is necessary for disabled accessibility purposes and
5 to comply with the school building code that any school
6 building or equipment should be altered or reconstructed and
7 that such alterations or reconstruction will be made with
8 funds not necessary for the completion of approved and
9 recommended projects contained in any safety survey report or
10 amendments thereto authorized under Section 2-3.12 of this
11 Act; or whenever any such district determines that it is
12 necessary for school security purposes and the related
13 protection and safety of pupils and school personnel that any
14 school building or property should be altered or
15 reconstructed or that security systems and equipment
16 (including but not limited to intercom, early detection and
17 warning, access control and television monitoring systems)
18 should be purchased and installed, and that such alterations,
19 reconstruction or purchase and installation of equipment will
20 be made with funds not necessary for the completion of
21 approved and recommended projects contained in any safety
22 survey report or amendment thereto authorized by Section
23 2-3.12 of this Act and will deter and prevent unauthorized
24 entry or activities upon school property by unknown or
25 dangerous persons, assure early detection and advance warning
26 of any such actual or attempted unauthorized entry or
27 activities and help assure the continued safety of pupils and
28 school staff if any such unauthorized entry or activity is
29 attempted or occurs; or if a school district does not need
30 funds for other fire prevention and safety projects,
31 including the completion of approved and recommended projects
32 contained in any safety survey report or amendments thereto
33 authorized by Section 2-3.12 of this Act, and it is
34 determined after a public hearing (which is preceded by at

1 least one published notice (i) occurring at least 7 days
2 prior to the hearing in a newspaper of general circulation
3 within the school district and (ii) setting forth the time,
4 date, place, and general subject matter of the hearing) that
5 there is a substantial, immediate, and otherwise unavoidable
6 threat to the health, safety, or welfare of pupils due to
7 disrepair of school sidewalks, playgrounds, parking lots, or
8 school bus turnarounds and repairs must be made: then in any
9 such event, such district may, by proper resolution, levy a
10 tax for the purpose of making such alteration or
11 reconstruction, based on a survey report by an architect or
12 engineer licensed in the State of Illinois, upon all the
13 taxable property of the district at the value as assessed by
14 the Department of Revenue at a rate not to exceed .05% per
15 year for a period sufficient to finance such alterations,
16 repairs, or reconstruction, upon the following conditions:

17 (a) When there are not sufficient funds available
18 in either the operations and maintenance fund of the
19 district or the fire prevention and safety fund of the
20 district as determined by the district on the basis of
21 regulations adopted by the State Board of Education to
22 make such alterations, repairs, or reconstruction, or to
23 purchase and install such permanent fixed equipment so
24 ordered or determined as necessary. Appropriate school
25 district records shall be made available to the State
26 Superintendent of Education upon request to confirm such
27 insufficiency.

28 (b) When a certified estimate of an architect or
29 engineer licensed in the State of Illinois stating the
30 estimated amount necessary to make the alterations or
31 repairs, or to purchase and install such equipment so
32 ordered has been secured by the district, and the
33 estimate has been approved by the regional superintendent
34 of schools, having jurisdiction of the district, and the

1 State Superintendent of Education. Approval shall not be
2 granted for any work that has already started without the
3 prior express authorization of the State Superintendent
4 of Education. If such estimate is not approved or denied
5 approval by the regional superintendent of schools within
6 3 months after the date on which it is submitted to him
7 or her, the school board of the district may submit such
8 estimate directly to the State Superintendent of
9 Education for approval or denial.

10 Whenever 2 or more school districts reorganize pursuant
11 to Article 11A or 11B of this Code into a district
12 maintaining grades kindergarten through 12, the newly formed
13 district may levy a tax annually, for fire prevention,
14 safety, energy conservation, disabled accessibility, school
15 security, and specified repair purposes, at a rate not to
16 exceed 0.10% upon all the taxable property of the district at
17 the value as equalized or assessed by the Department of
18 Revenue.

19 For purposes of this Section a school district may
20 replace a school building or build additions to replace
21 portions of a building when it is determined that the
22 effectuation of the recommendations for the existing building
23 will cost more than the replacement costs. Such
24 determination shall be based on a comparison of estimated
25 costs made by an architect or engineer licensed in the State
26 of Illinois. The new building or addition shall be
27 equivalent in area (square feet) and comparable in purpose
28 and grades served and may be on the same site or another
29 site. Such replacement may only be done upon order of the
30 regional superintendent of schools and the approval of the
31 State Superintendent of Education.

32 The filing of a certified copy of the resolution levying
33 the tax when accompanied by the certificates of the regional
34 superintendent of schools and State Superintendent of

1 Education shall be the authority of the county clerk to
2 extend such tax.

3 The county clerk of the county in which any school
4 district levying a tax under the authority of this Section is
5 located, in reducing raised levies, shall not consider any
6 such tax as a part of the general levy for school purposes
7 and shall not include the same in the limitation of any other
8 tax rate which may be extended.

9 Such tax shall be levied and collected in like manner as
10 all other taxes of school districts, subject to the
11 provisions contained in this Section.

12 The tax rate limit specified in this Section may be
13 increased to .10% upon the approval of a proposition to
14 effect such increase by a majority of the electors voting on
15 that proposition at a regular scheduled election. Such
16 proposition may be initiated by resolution of the school
17 board and shall be certified by the secretary to the proper
18 election authorities for submission in accordance with the
19 general election law.

20 When taxes are levied by any school district for fire
21 prevention, safety, energy conservation, and school security
22 purposes as specified in this Section, and the purposes for
23 which the taxes have been levied are accomplished and paid in
24 full, and there remain funds on hand in the Fire Prevention
25 and Safety Fund from the proceeds of the taxes levied,
26 including interest earnings thereon, the school board by
27 resolution shall use such excess and other board restricted
28 funds excluding bond proceeds and earnings from such proceeds
29 ~~{1}~~ for other authorized fire prevention, safety, energy
30 conservation, and school security purposes ~~or~~ ~~{2}~~ ~~for~~
31 ~~transfer--to--the--Operations--and--Maintenance--Fund--for--the~~
32 ~~purpose--of--abating--an--equal--amount--of--operations---and~~
33 ~~maintenance--purposes--taxes.---If--any--transfer--is--made--to--the~~
34 ~~Operation--and--Maintenance--Fund,--the--secretary--of--the--school~~

1 board--shall--within--30--days--notify--the--county--clerk--of--the
2 amount--of--that--transfer--and--direct--the--clerk--to--abate--the
3 taxes--to--be--extended--for--the--purposes--of--operations--and
4 maintenance--authorized--under--Section--17--2--of--this--Act--by--an
5 amount--equal--to--such--transfer.

6 If the proceeds from the tax levy authorized by this
7 Section are insufficient to complete the work approved under
8 this Section, the school board is authorized to sell bonds
9 without referendum under the provisions of this Section in an
10 amount that, when added to the proceeds of the tax levy
11 authorized by this Section, will allow completion of the
12 approved work.

13 Such bonds shall bear interest at a rate not to exceed
14 the maximum rate authorized by law at the time of the making
15 of the contract, shall mature within 20 years from date, and
16 shall be signed by the president of the school board and the
17 treasurer of the school district.

18 In order to authorize and issue such bonds, the school
19 board shall adopt a resolution fixing the amount of bonds,
20 the date thereof, the maturities thereof, rates of interest
21 thereof, place of payment and denomination, which shall be in
22 denominations of not less than \$100 and not more than \$5,000,
23 and provide for the levy and collection of a direct annual
24 tax upon all the taxable property in the school district
25 sufficient to pay the principal and interest on such bonds to
26 maturity. Upon the filing in the office of the county clerk
27 of the county in which the school district is located of a
28 certified copy of the resolution, it is the duty of the
29 county clerk to extend the tax therefor in addition to and in
30 excess of all other taxes heretofore or hereafter authorized
31 to be levied by such school district.

32 After the time such bonds are issued as provided for by
33 this Section, if additional alterations or reconstructions
34 are required to be made because of surveys conducted by an

1 architect or engineer licensed in the State of Illinois, the
2 district may levy a tax at a rate not to exceed .05% per year
3 upon all the taxable property of the district or issue
4 additional bonds, whichever action shall be the most
5 feasible.

6 This Section is cumulative and constitutes complete
7 authority for the issuance of bonds as provided in this
8 Section notwithstanding any other statute or law to the
9 contrary.

10 With respect to instruments for the payment of money
11 issued under this Section either before, on, or after the
12 effective date of Public Act 86-004 (June 6, 1989), it is,
13 and always has been, the intention of the General Assembly
14 (i) that the Omnibus Bond Acts are, and always have been,
15 supplementary grants of power to issue instruments in
16 accordance with the Omnibus Bond Acts, regardless of any
17 provision of this Act that may appear to be or to have been
18 more restrictive than those Acts, (ii) that the provisions of
19 this Section are not a limitation on the supplementary
20 authority granted by the Omnibus Bond Acts, and (iii) that
21 instruments issued under this Section within the
22 supplementary authority granted by the Omnibus Bond Acts are
23 not invalid because of any provision of this Act that may
24 appear to be or to have been more restrictive than those
25 Acts.

26 When the purposes for which the bonds are issued have
27 been accomplished and paid for in full and there remain funds
28 on hand from the proceeds of the bond sale and interest
29 earnings therefrom, the board shall, by resolution, use such
30 excess funds in accordance with the provisions of Section
31 10-22.14 of this Act.

32 Whenever any tax is levied or bonds issued for fire
33 prevention, safety, energy conservation, and school security
34 purposes, such proceeds shall be deposited and accounted for

1 separately within the Fire Prevention and Safety Fund.
2 (Source: P.A. 88-251; 88-508; 88-628, eff. 9-9-94; 88-670,
3 eff. 12-2-94; 89-235, eff. 8-4-95; 89-397, eff. 8-20-95.)

4 (105 ILCS 5/17-2C)

5 Sec. 17-2C. Transfer from Restricted Uses Tort-Immunity
6 Fund by financially distressed school districts. The school
7 board of any school district that is certified under Section
8 19-1.5 as a financially distressed school district may by
9 resolution transfer from the Restricted Uses Tort-Immunity
10 Fund to any other school district fund an amount of money not
11 to exceed the lesser of \$2,500,000 or 0.6% of the value of
12 the taxable property within the district, provided the amount
13 transferred is not then required for the payment of any
14 liabilities created by a settlement or a tort judgement,
15 defense costs, or for the payment of any liabilities under
16 the Unemployment Insurance Act, Workers' Compensation Act,
17 Workers' Occupational Diseases Act, or risk care management
18 programs.

19 (Source: P.A. 91-357, eff. 7-29-99.)

20 (105 ILCS 5/17-3) (from Ch. 122, par. 17-3)

21 Sec. 17-3. Additional levies-Submission to voters. The
22 school board in any district having a population of less than
23 500,000 inhabitants may, by proper resolution, cause a
24 proposition to increase, for a limited period of not less
25 than 3 nor more than 10 years or for an unlimited period, the
26 annual tax rate for general educational purposes to be
27 submitted to the voters of such district at a regular
28 scheduled election as follows:

29 (1) in districts maintaining grades 1 through 8, or
30 grades 9 through 12, the maximum rate for educational
31 purposes shall not exceed 5.10% 3.5% of the value as
32 equalized or assessed by the Department of Revenue;

1 (2) in districts maintaining grades kindergarten 1
2 through 12 the maximum rate for general educational
3 purposes shall not exceed 6.45%. 4.00%, except that if a
4 single elementary district and a secondary district
5 having boundaries that are coterminous on the effective
6 date of this amendatory Act form a community unit
7 district under Section 11-6, then the maximum rate for
8 education purposes for such district shall not exceed
9 6.00% of the value as equalized or assessed by the
10 Department of Revenue.

11 If the resolution of the school board seeks to increase
12 the annual tax rate for educational purposes for a limited
13 period of not less than 3 nor more than 10 years, the
14 proposition shall so state and shall identify the years for
15 which the tax increase is sought.

16 If a majority of the votes cast on the proposition is in
17 favor thereof at an election for which the election
18 authorities have given notice either (i) in accordance with
19 Section 12-5 of the Election Code or (ii) by publication of a
20 true and legible copy of the specimen ballot label containing
21 the proposition in the form in which it appeared or will
22 appear on the official ballot label on the day of the
23 election at least 5 days before the day of the election in at
24 least one newspaper published in and having a general
25 circulation in the district, the school board may thereafter,
26 until such authority is revoked in like manner, levy annually
27 the tax so authorized; provided that if the proposition as
28 approved limits the increase in the annual tax rate of the
29 district for educational purposes to a period of not less
30 than 3 nor more than 10 years, the district may, unless such
31 authority is sooner revoked in like manner, levy annually the
32 tax so authorized for the limited number of years approved by
33 a majority of the votes cast on the proposition. Upon
34 expiration of that limited period, the rate at which the

1 district may annually levy its tax for educational purposes
2 shall be the rate provided under Section 17-2, or the rate at
3 which the district last levied its tax for educational
4 purposes prior to approval of the proposition authorizing the
5 levy of that tax at an increased rate, whichever is greater.

6 The school board shall certify the proposition to the
7 proper election authorities in accordance with the general
8 election law.

9 The provisions of this Section concerning notice of the
10 tax rate increase referendum apply only to consolidated
11 primary elections held prior to January 1, 2002 at which not
12 less than 55% of the voters voting on the tax rate increase
13 proposition voted in favor of the tax rate increase
14 proposition.

15 (Source: P.A. 92-6, eff. 6-7-01.)

16 (105 ILCS 5/17-3.2) (from Ch. 122, par. 17-3.2)

17 Sec. 17-3.2. Additional or supplemental budget. Whenever
18 the voters of a school district have voted in favor of an
19 increase in the annual tax rate for general educational or
20 operations and maintenance purposes or both at an election
21 held after the adoption of the annual school budget for any
22 fiscal year, the board may adopt or pass during that fiscal
23 year an additional or supplemental budget under the sole
24 authority of this Section by a vote of a majority of the full
25 membership of the board, any other provision of this Article
26 to the contrary notwithstanding, in and by which such
27 additional or supplemental budget the board shall appropriate
28 such additional sums of money as it may find necessary to
29 defray expenses and liabilities of that district to be
30 incurred for general educational or operations and
31 maintenance purposes or both of the district during that
32 fiscal year, but not in excess of the additional funds
33 estimated to be available by virtue of such voted increase in

1 the annual tax rate for general educational ~~er-operations-and~~
2 ~~maintenance~~ purposes ~~er-beth~~. Such additional or supplemental
3 budget shall be regarded as an amendment of the annual school
4 budget for the fiscal year in which it is adopted, and the
5 board may levy the additional tax for general educational ~~er~~
6 ~~operations-and-maintenance~~ purposes ~~er--beth~~ to equal the
7 amount of the additional sums of money appropriated in that
8 additional or supplemental budget, immediately.

9 (Source: P.A. 86-1334.)

10 (105 ILCS 5/17-3.4) (from Ch. 122, par. 17-3.4)

11 Sec. 17-3.4. Form of ballot and notice. ~~Except--as~~
12 ~~otherwise--provided--under--subsection-(d)-of-Section-17-6-1,~~
13 Whenever any proposition to authorize or to levy an annual
14 tax, or to increase the annual rate of tax levied by any
15 school district, for any school purpose is submitted to the
16 voters of such district at any election, each required notice
17 or other publication of the election or referendum and the
18 form of ballot shall contain, in addition to any other
19 matters required by law:

20 (a) the geographic or other common name of the
21 school district by which that district is commonly known
22 and referred to, as well as the number of the district;

23 (b) the maximum rate at which such tax may be
24 levied if the proposition is approved;

25 (c) the total dollar amount of the most recently
26 approved annual budget of the school district, what the
27 total dollar amount of that annual budget would be if
28 increased by the amount of additional tax which may be
29 levied if the proposition is approved, and what would be
30 the percentage of increase in the total dollar amount of
31 the most recently approved annual budget of the school
32 district if such total dollar amount were increased by
33 the amount of additional tax which may be levied if the

1 proposition is approved; and

2 (d) if the proposition is to increase the annual rate of
3 an existing tax levied by the school district, then in
4 addition to the matters set forth in (a), (b) and (c) above,
5 the annual rate at which such existing tax currently is
6 levied and the percentage of increase between the maximum
7 rate at which such tax may be levied if the proposition is
8 approved and the annual rate at which such tax currently is
9 levied.

10 (Source: P.A. 86-579; 86-1318.)

11 (105 ILCS 5/17-7) (from Ch. 122, par. 17-7)

12 Sec. 17-7. Payments from tax levied. Any sum expended or
13 obligations incurred for the improvement, maintenance, repair
14 or benefit of school buildings and property, including the
15 cost of interior decorating and the installation,
16 improvement, repair, replacement and maintenance of building
17 fixtures, for the rental of buildings and property for school
18 purposes, or for the payment of all premiums for insurance
19 upon school buildings and school building fixtures or for the
20 purchase or equipment to be used in the school lunch program
21 shall be paid from the tax levied for general educational
22 ~~operations--and--maintenance~~ purposes and the purchase of
23 school grounds. The board may provide by resolution that the
24 payment of all salaries of janitors, engineers or other
25 custodial employees and all costs of fuel, lights, gas,
26 water, telephone service, and custodial supplies and
27 equipment or the cost of a professional survey of the
28 conditions of school buildings as provided in Section 2-3.12,
29 or any one or more of the preceding items shall be paid from
30 the tax levied for general educational ~~operations---and~~
31 ~~maintenance~~ purposes and the purchase of school grounds in
32 which event such salaries or specified costs, or both, shall
33 be so paid until the next fiscal year after the repeal of

1 such resolution. Expenditures for all purposes not specified
2 in Sections 17-7 or 17-8 or other provisions of this Act
3 shall be made from the general educational fund.

4 (Source: P.A. 86-1334; 87-984.)

5 (105 ILCS 5/17-8) (from Ch. 122, par. 17-8)

6 Sec. 17-8. Transportation costs paid from transportation
7 fund. Any transportation operating costs incurred for
8 transporting pupils to and from school and school sponsored
9 activities and the costs of acquiring equipment shall be paid
10 from a transportation fund to consist of moneys received from
11 any tax levy for general educational purposes such--purpose,
12 state reimbursement for transportation, except as provided in
13 Section 29-5, all funds received from other districts for
14 transporting pupils and any charges for transportation
15 services rendered to individuals or auxiliary enterprises of
16 the school.

17 For the purpose of this Act "transportation operating
18 cost" shall include all costs of transportation except
19 interest and rental of building facilities.

20 (Source: P.A. 85-581.)

21 (105 ILCS 5/17-9) (from Ch. 122, par. 17-9)

22 Sec. 17-9. Extension of taxes by county clerk--Separate
23 tax for payment of bonds.

24 When the county clerk determines the amount of taxes to
25 be extended upon all the taxable property in any school
26 district having a population of less than 500,000
27 inhabitants, he shall determine from the certified copies of
28 bond resolutions filed in his office the amount necessary to
29 pay the maturing principal of and interest on any bonds of
30 the district and shall extend a separate tax sufficient to
31 pay all principal and interest thereon which matures prior to
32 the first delinquent date of taxes to be realized from the

1 next succeeding tax extension or all interest and sinking
2 fund requirements for the payment of principal which must be
3 extended prior to said date. The separate tax shall be
4 extended without limitation as to rate or amount. No
5 deduction shall be made in the rate which may be extended for
6 general educational ~~or-operations,-building--and--maintenance~~
7 purposes by reason of any rate extended for payment of
8 principal or interest of bonds, except as provided in this
9 section, nor by reason of any tax required to be extended
10 pursuant to the exercise of the power conferred in Section
11 10-22.12.

12 (Source: P.A. 77-2744.)

13 (105 ILCS 5/17-11) (from Ch. 122, par. 17-11)

14 Sec. 17-11. Certificate of tax levy. The school board
15 of each district shall ascertain, as near as practicable,
16 annually, how much money must be raised ~~by-special-tax-for~~
17 ~~transportation-purposes-if-any-and~~ for general educational
18 ~~and--for--operations--and--maintenance~~ purposes for the next
19 ensuing year. In school districts with a population of less
20 than 500,000, these amounts shall be certified and returned
21 to each county clerk on or before the last Tuesday in
22 December, annually. The certificate shall be signed by the
23 president and clerk or secretary, and may be in the following
24 form:

25 CERTIFICATE OF TAX LEVY

26 We hereby certify that we require the sum of
27 dollars, to be levied as a special tax ~~for-transportation~~
28 ~~purposes-and-the-sum-of-.....-dollars--to--be--levied--as--a~~
29 ~~special--tax~~ for general educational purposes, ~~and-the-sum~~
30 ~~.....-dollars-to-be-levied-as-a-special-tax--for--operations~~
31 ~~and-maintenance-purposes,~~ and the sum of to be levied
32 as a special tax for a working purposes ~~cash-fund,~~ on the
33 equalized assessed value of the taxable property of our

1 district, for the year (insert year).

2 Signed on (insert date).

3 A B, President

4 C D....., Clerk (Secretary)

5 Dist. No., County

6 A failure by the school board to file the certificate
7 with the county clerk in the time required shall not vitiate
8 the assessment.

9 (Source: P.A. 91-357, eff. 7-29-99.)

10 (105 ILCS 5/17-12) (from Ch. 122, par. 17-12)

11 Sec. 17-12. Districts in two or more counties. When a
12 district lies partly in two or more counties the school board
13 shall ascertain, as near as practicable, the amount to be
14 raised by special tax for general educational and-operations
15 and-maintenance purposes and shall prepare a certificate for
16 each county in which the district lies and shall deliver one
17 of such certificates to each of the county clerks of the
18 counties in which a part of the district is situated. On the
19 first Monday following the delivery of the certificate, or as
20 soon thereafter as may be practicable, each county clerk
21 shall ascertain the total equalized valuation of all the
22 taxable property in that part of the district as lies in his
23 county, and certify the amount thereof to the county clerk of
24 each of the other counties in which any part of the district
25 lies. From the aggregate of such equalized valuation and
26 from the certificate of the amount so required to be levied,
27 such clerk shall ascertain the rate per cent required to
28 produce in the district the amount of such levy, and at that
29 rate shall extend the special tax to be levied for general
30 educational and--operations-and-maintenance purposes in that
31 part of the district lying in his respective county.

32 (Source: P.A. 86-1334.)

1 (105 ILCS 5/17-16) (from Ch. 122, par. 17-16)

2 Sec. 17-16. Tax anticipation warrants. When there is no
3 money in the treasury of any school district having a
4 population of 500,000 or less inhabitants, whether governed
5 by either or both the general school laws or any special
6 charter, to defray the necessary expenses of the district,
7 including amounts necessary to pay maturing principal and
8 interest of bonds, the school board may issue warrants, or
9 may provide a fund to meet the expenses by issuing and
10 disposing of warrants, drawn against and in anticipation of
11 any taxes levied for the payment of the necessary expenses of
12 the district, either for general transportation, educational
13 ~~or for all operations and maintenance~~ purposes, or for
14 payments to the Illinois Municipal Retirement Fund, or for
15 the payment of maturing principal and interest of bonds, or
16 for fire prevention, safety, energy conservation and school
17 security purposes, as the case may be, to the extent of 85%
18 of the total amount of the tax so levied. The warrants shall
19 show upon their face that they are payable in the numerical
20 order of their issuance solely from such taxes when
21 collected, and shall be received by any collector of taxes in
22 payment of the taxes against which they are issued, and such
23 taxes shall be set apart and held for their payment.

24 Every warrant shall bear interest, payable only out of
25 the taxes against which it is drawn, at a rate not exceeding
26 the maximum rate authorized by the Bond Authorization Act, as
27 amended at the time of the making of the contract, if issued
28 before July 1, 1971 and if issued thereafter at the rate of
29 not to exceed the maximum rate authorized by the Bond
30 Authorization Act, as amended at the time of the making of
31 the contract, from the date of its issuance until paid or
32 until notice shall be given by publication in a newspaper or
33 otherwise that the money for its payment is available and
34 that it will be paid on presentation, unless a lower rate of

1 interest is specified therein, in which case the interest
2 shall be computed and paid at the lower rate.

3 With respect to instruments for the payment of money
4 issued under this Section either before, on, or after the
5 effective date of this amendatory Act of 1989, it is and
6 always has been the intention of the General Assembly (i)
7 that the Omnibus Bond Acts are and always have been
8 supplementary grants of power to issue instruments in
9 accordance with the Omnibus Bond Acts, regardless of any
10 provision of this Act that may appear to be or to have been
11 more restrictive than those Acts, (ii) that the provisions of
12 this Section are not a limitation on the supplementary
13 authority granted by the Omnibus Bond Acts, and (iii) that
14 instruments issued under this Section within the
15 supplementary authority granted by the Omnibus Bond Acts are
16 not invalid because of any provision of this Act that may
17 appear to be or to have been more restrictive than those
18 Acts.

19 (Source: P.A. 86-4; 86-1334; 87-984.)

20 (105 ILCS 5/19-30) (from Ch. 122, par. 19-30)

21 Sec. 19-30. Any school district which, pursuant to
22 Section 10-22.31b of this Act, has entered into a joint
23 agreement with one or more school districts to acquire,
24 build, establish and maintain sites and buildings for area
25 vocational purposes may by proper resolution borrow money for
26 the purpose of acquiring sites and buildings and building,
27 equipping, improving and remodeling buildings and sites for
28 vocational education purposes and as evidence of such
29 indebtedness issue bonds without referendum, provided that
30 the project which is the subject of such joint agreement has
31 been designated by the State Board of Vocational Education
32 and Rehabilitation as an Area Secondary Vocational Center,
33 and further provided (a)--that--such--district--has---been

1 authorized--by--referendum--to--impose--the--tax--under--Section
2 17-2.4--of--this--Act,--or--(b) that such district,--not--having
3 been--so--authorized--by--such--referendum, by resolution has
4 authorized the payment of its proportionate share of the cost
5 of the area vocational center under such agreement from funds
6 raised by building tax levies. The proceeds of the sale of
7 such bonds may, in the discretion of the school board of the
8 district issuing such bonds, be transferred to the Capital
9 Development Board, any other school district which is a party
10 to such joint agreement or the State or any of its agencies
11 provided, however, that such board first determines that such
12 transfer is necessary in order to accomplish the purposes for
13 which such bonds are issued. The amount of the bonds issued
14 by any such participating school district shall not exceed
15 the district's estimated proportionate share of the cost of
16 the area vocational center as budgeted under such agreement
17 and as certified by the State Board of Vocational Education
18 and Rehabilitation, and provided that (a)--any--such
19 participating--district--which---has---been---authorized---by
20 referendum--to--impose--the--tax--under--Section--17-2.4--of--this
21 Act,--shall--thereafter--reduce--the--maximum--statutory--amount
22 which--may--be--raised--by--such--levy--under--Section--17-2.4--to--the
23 extent--of--the--total--amount--to--be--yielded--by--the--imposition--of
24 the--tax--authorized--by--this--Section,--and--(b) any such
25 participating district, not--having--been--so--authorized--by--such
26 referendum,--but having by resolution authorized the payment
27 of its proportionate share of the cost of the area vocational
28 center under such joint agreement from funds raised by
29 building tax levies, shall thereafter, annually reduce the
30 maximum statutory amount which may be raised by such building
31 tax levies to the extent of the amount to be yielded annually
32 by the imposition of the tax authorized by this Section.
33 Such bonds shall bear interest at a rate of not to exceed the
34 maximum rate authorized by the Bond Authorization Act, as

1 amended at the time of the making of the contract, and shall
2 mature within 20 years from date.

3 The failure on the part of a school district to abate or
4 reduce such taxes as described in this Section ~~(a)-and-(b)~~
5 shall not constitute a forfeiture by the district of its
6 right to levy the direct annual tax authorized by this
7 Section.

8 In order to authorize and issue such bonds, the school
9 board shall adopt a resolution fixing the amount of the
10 bonds, the date thereof, maturities thereof, rates of
11 interest thereof, place of payment and denomination, which
12 shall be in denominations of not less than \$100 and not more
13 than \$5,000 and provide for the levy and collection of a
14 direct annual tax upon all the taxable property in the school
15 district sufficient to pay the principal of and interest on
16 such bonds to maturity. Upon the filing in the office of the
17 County Clerk or Clerks of the County or Counties in which the
18 school district is located of a certified copy of such
19 resolution it shall be the duty of such County Clerk or
20 Clerks to extend the tax therefor, in addition to and in
21 excess of all other taxes heretofore or hereafter authorized
22 to be levied by such school district.

23 This Section shall be cumulative and it shall constitute
24 complete authority for site acquisitions and building
25 programs and for the issuance of bonds as provided for
26 hereunder, notwithstanding any other statute or law to the
27 contrary.

28 With respect to instruments for the payment of money
29 issued under this Section either before, on, or after the
30 effective date of this amendatory Act of 1989, it is and
31 always has been the intention of the General Assembly (i)
32 that the Omnibus Bond Acts are and always have been
33 supplementary grants of power to issue instruments in
34 accordance with the Omnibus Bond Acts, regardless of any

1 provision of this Act that may appear to be or to have been
2 more restrictive than those Acts, (ii) that the provisions of
3 this Section are not a limitation on the supplementary
4 authority granted by the Omnibus Bond Acts, and (iii) that
5 instruments issued under this Section within the
6 supplementary authority granted by the Omnibus Bond Acts are
7 not invalid because of any provision of this Act that may
8 appear to be or to have been more restrictive than those
9 Acts.

10 (Source: P.A. 86-4.)

11 (105 ILCS 5/19-31) (from Ch. 122, par. 19-31)

12 Sec. 19-31. Any school district which, pursuant to
13 Section 10-22.31b of this Act, or under the provisions of the
14 "Intergovernmental Cooperation Act", has entered into a joint
15 agreement or contract with one or more school districts to
16 acquire, build, establish and maintain sites and buildings
17 for the education of one or more of the types of children
18 with disabilities as defined in Sections 14-1.02 through
19 14-1.07 of this Act, may by proper resolution of the board
20 borrow money for the purpose of acquiring sites and buildings
21 and building, equipping, improving and remodeling buildings
22 and sites for such special education purposes, and as
23 evidence of such indebtedness issue bonds, provided that the
24 project which is the subject of such joint agreement has been
25 approved by the State Board of Education. The proceeds of
26 the sale of such bonds may, in the discretion of the school
27 board of the district issuing such bonds, be transferred to
28 the Capital Development Board, any other school district
29 which is a party to such joint agreement, or the State or any
30 of its agencies provided, however, that such board first
31 determines that such transfer is necessary in order to
32 accomplish the purposes for which such bonds are issued. The
33 amount of the bonds issued by any such participating school

1 district shall not exceed the district's estimated
2 proportionate share of the cost of such special education
3 purposes as budgeted under such joint agreement or contract,
4 ~~and shall be amortized over a period not exceeding the number~~
5 ~~of years of levy remaining available to such participating~~
6 ~~school district under Section 17-2.2a of this Act, and~~
7 ~~provided further that any such participating district shall~~
8 ~~hereafter reduce the maximum statutory amount which may be~~
9 ~~raised by the tax levy authorized under Section 17-2.2a of~~
10 ~~this Act to the extent of the total amount to be yielded by~~
11 ~~the imposition of the tax authorized by this Section. The~~
12 ~~failure on the part of a school district to abate or reduce~~
13 ~~such taxes shall not however constitute a forfeiture by the~~
14 ~~district of its right to levy the direct annual tax~~
15 ~~authorized by this Section.~~

16 Such bonds shall bear interest at a rate of not to exceed
17 the maximum rate authorized by the Bond Authorization Act, as
18 amended at the time of the making of the contract, and shall
19 mature within 8 years from the date of issuance. In order to
20 authorize and issue such bonds, the school board shall adopt
21 a resolution fixing the amount of the bonds, the date
22 thereof, maturities thereof, rates of interest thereof, place
23 of payment and denomination, which shall be in denominations
24 of not less than \$100 and not more than \$5,000 and provide
25 for the levy and collection of a direct annual tax upon all
26 the taxable property in the school district sufficient to pay
27 the principal of and interest on such bonds to maturity,
28 ~~but not to exceed the levy authorized under Section 17-2.2a.~~
29 Upon the filing in the office of the County Clerk or Clerks
30 of the County or Counties in which the school district is
31 located of a certified copy of such resolution it shall be
32 the duty of such County Clerk or Clerks to extend the tax
33 therefor, in addition to and in excess of all other taxes
34 heretofore or hereafter authorized to be levied by such

1 school district.

2 This Section shall be cumulative and it shall constitute
3 complete authority for site acquisitions and building
4 programs and for the issuance of bonds as provided for
5 hereunder, notwithstanding any other statute or law to the
6 contrary.

7 Notwithstanding the other provisions of this Section, any
8 school district qualifying for a special education
9 construction grant pursuant to the Capital Development Board
10 Act may finance the construction project by ~~levying the tax~~
11 ~~authorized by Section 17-2-2a and~~ issuing bonds in the manner
12 provided for in this Section at a rate not to exceed the
13 maximum rate authorized by the Bond Authorization Act, as
14 amended at the time of the making of the contract, with a
15 maturity date not more than 20 years from the date of
16 issuance.

17 With respect to instruments for the payment of money
18 issued under this Section either before, on, or after the
19 effective date of this amendatory Act of 1989, it is and
20 always has been the intention of the General Assembly (i)
21 that the Omnibus Bond Acts are and always have been
22 supplementary grants of power to issue instruments in
23 accordance with the Omnibus Bond Acts, regardless of any
24 provision of this Act that may appear to be or to have been
25 more restrictive than those Acts, (ii) that the provisions of
26 this Section are not a limitation on the supplementary
27 authority granted by the Omnibus Bond Acts, and (iii) that
28 instruments issued under this Section within the
29 supplementary authority granted by the Omnibus Bond Acts are
30 not invalid because of any provision of this Act that may
31 appear to be or to have been more restrictive than those
32 Acts.

33 (Source: P.A. 89-397, eff. 8-20-95.)

1 (105 ILCS 5/Art. 20 heading)

2 ARTICLE 20. RESTRICTED USES WORKING-CASH FUND

3 (105 ILCS 5/20-1) (from Ch. 122, par. 20-1)

4 Sec. 20-1. Authority to create restricted uses working
5 cash fund. In each school district, whether organized under
6 general law or special charter, having a population of less
7 than 500,000 inhabitants, a fund to be known as a "Restricted
8 Uses Working--Cash Fund" may be created, maintained and
9 administered in the manner prescribed in this Article, for
10 the purpose of enabling the district to have in its treasury
11 at all time sufficient money to meet demands thereon for
12 ordinary and necessary expenditures for corporate purposes.
13 In addition, expenses for benefits paid to classified
14 employees and tort judgment expenses shall be paid from this
15 fund.

16 If involving a school district having a population of
17 less than 500,000 inhabitants, references to a school
18 district's working cash fund under this Code or any other law
19 of this State shall be deemed to refer to that district's
20 restricted uses fund.

21 (Source: P.A. 80-272.)

22 (105 ILCS 5/20-2) (from Ch. 122, par. 20-2)

23 Sec. 20-2. Indebtedness and bonds. For the purpose of
24 creating a restricted uses working--cash fund, the school
25 board of any such district may incur an indebtedness and
26 issue working cash bonds as evidence thereof in an amount or
27 amounts not exceeding in the aggregate 85% of the taxes
28 permitted to be levied for general educational purposes for
29 the then current year to be determined by multiplying the
30 maximum general educational tax rate applicable to such
31 school district by the last assessed valuation as determined
32 at the time of the issue of said bonds plus 85% of the last

1 known entitlement of such district to taxes as by law now or
2 hereafter enacted or amended, imposed by the General Assembly
3 of the State of Illinois to replace revenue lost by units of
4 local government and school districts as a result of the
5 abolition of ad valorem personal property taxes, pursuant to
6 Article IX, Section 5, paragraph (c) of the Constitution of
7 the State of Illinois, except that a district that is
8 certified under Section 19-1.5 as a financially distressed
9 district may incur an indebtedness and issue bonds as
10 evidence thereof in an amount or amounts not exceeding in the
11 aggregate 125% of the taxes permitted to be levied for
12 general educational purposes for the then current year to be
13 determined by multiplying the maximum general educational tax
14 rate applicable to that school district by the last assessed
15 valuation as determined at the time of the issuance of the
16 bonds plus 125% of the last known entitlement of that
17 district to taxes that by law now or hereafter enacted or
18 amended are imposed by the General Assembly to replace
19 revenue lost by units of local government and school
20 districts as a result of the abolition of ad valorem personal
21 property taxes, pursuant to Article IX, Section 5, paragraph
22 (c) of the Constitution of the State of Illinois. The bonds
23 shall bear interest at not more than the maximum rate
24 authorized by the Bond Authorization Act, as amended at the
25 time of the making of the contract, if issued before January
26 1, 1972 and not more than the maximum rate authorized by the
27 Bond Authorization Act, as amended at the time of the making
28 of the contract, if issued after January 1, 1972 and shall
29 mature within 20 years from the date thereof. Subject to the
30 foregoing limitations as to amount, the bonds may be issued
31 in an amount including existing indebtedness which will not
32 exceed the constitutional limitation as to debt,
33 notwithstanding any statutory debt limitation to the
34 contrary. When bonds have been issued under this Article by a

1 school district that is certified as a financially distressed
2 district under Section 19-1.5, the amount of those bonds,
3 when and after they are issued, whether issued before or
4 after such certification, shall not be considered debt under
5 any statutory debt limitation and shall be excluded from the
6 computation and determination of any statutory or other debt
7 limitation applicable to the financially distressed district.
8 The school board shall before or at the time of issuing the
9 bonds provide for the collection of a direct annual tax upon
10 all the taxable property within the district sufficient to
11 pay the principal thereof at maturity and to pay the interest
12 thereon as it falls due, which tax shall be in addition to
13 the maximum amount of all other taxes, either general
14 ~~educational; transportation; operations and maintenance;~~ or
15 fire prevention and safety fund taxes, now or hereafter
16 authorized and in addition to any limitations upon the levy
17 of taxes as provided by Sections 17-2 through 17-9. The bonds
18 may be issued redeemable at the option of the school board of
19 the district issuing them on any interest payment date on or
20 after 5 years from date of issue.

21 With respect to instruments for the payment of money
22 issued under this Section either before, on, or after the
23 effective date of this amendatory Act of 1989, it is and
24 always has been the intention of the General Assembly (i)
25 that the Omnibus Bond Acts are and always have been
26 supplementary grants of power to issue instruments in
27 accordance with the Omnibus Bond Acts, regardless of any
28 provision of this Act that may appear to be or to have been
29 more restrictive than those Acts, (ii) that the provisions of
30 this Section are not a limitation on the supplementary
31 authority granted by the Omnibus Bond Acts, and (iii) that
32 instruments issued under this Section within the
33 supplementary authority granted by the Omnibus Bond Acts are
34 not invalid because of any provision of this Act that may

1 appear to be or to have been more restrictive than those
2 Acts.

3 (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

4 (105 ILCS 5/20-3) (from Ch. 122, par. 20-3)

5 Sec. 20-3. Tax levy. For the purpose of providing moneys
6 for a restricted uses working-cash fund, the school board of
7 any such school district may also levy annually upon all the
8 taxable property of their district a tax, known as the
9 "working cash fund tax," not to exceed 0.05% of value, as
10 equalized or assessed by the Department of Revenue. Provided,
11 that: (1) no such tax shall be levied if bonds are issued in
12 amount or amounts equal in the aggregate to the limitation
13 set forth in Section 20-2 for the creation of a restricted
14 uses working--cash fund; (2) no such tax shall be levied and
15 extended by a school district that is not certified as a
16 financially distressed district under Section 19-1.5 if the
17 amount of the tax so to be extended will increase the
18 restricted uses working-cash fund to a total amount exceeding
19 85% of the taxes last extended for general educational
20 purposes of the district plus 85% of the last known
21 entitlement of such district to taxes as by law now or
22 hereafter enacted or amended, imposed by the General Assembly
23 of the State of Illinois to replace revenue lost by units of
24 local government and school districts as a result of the
25 abolition of ad valorem personal property taxes, pursuant to
26 Article IX, Section 5(c) of the Constitution of the State of
27 Illinois; and (3) no such tax shall be levied or extended by
28 a school district that is certified as a financially
29 distressed district under Section 19-1.5 if the amount of the
30 tax so to be extended will increase the restricted uses
31 working--cash fund to a total amount exceeding 125% of the
32 taxes last extended for general educational purposes of the
33 district plus 125% of the last known entitlement of that

1 district to taxes that by law now or hereafter enacted or
2 amended are imposed by the General Assembly to replace
3 revenue lost by units of local government and school
4 districts as a result of the abolition of ad valorem personal
5 property taxes, pursuant to Article IX, Section 5(c) of the
6 Constitution of the State of Illinois. The collection of the
7 tax shall not be anticipated by the issuance of any warrants
8 drawn against it. The tax shall be levied and collected,
9 except as otherwise provided in this Section, in like manner
10 as the general taxes of the district, and shall be in
11 addition to the maximum of all other taxes, either general
12 educational;--transportation;--operations-and-maintenance; or
13 fire prevention and safety fund taxes, now or hereafter to be
14 levied for school purposes. It may be levied by separate
15 resolution by the last Tuesday in September in each year or
16 it may be included in the certificate of tax levy filed under
17 Section 17-11.

18 Whenever 2 or more school districts reorganize pursuant
19 to Article 11A or 11B of this Code into a district
20 maintaining grades kindergarten through 12, the newly formed
21 district may levy a tax annually, for working cash purposes,
22 at a rate not to exceed 0.10% upon all the taxable property
23 of the district at the value as equalized or assessed by the
24 Department of Revenue.

25 (Source: P.A. 87-984; 88-641, eff. 9-9-94.)

26 (105 ILCS 5/20-4) (from Ch. 122, par. 20-4)

27 Sec. 20-4. Use and reimbursement of fund. This Section
28 shall not apply in any school district which does not operate
29 a restricted uses working-cash fund.

30 Moneys derived from the issuance of bonds as authorized
31 by Section 20-2, or from any tax levied pursuant to Section
32 20-3, shall be used only for the purposes and in the manner
33 hereinafter provided. Moneys in the fund shall not be

1 regarded as current assets available for school purposes.
2 The school board may appropriate moneys to the restricted
3 uses working-cash fund up to the maximum amount allowable in
4 the fund, and the restricted uses working-cash fund may
5 receive such appropriations and any other contributions.
6 Moneys in the fund shall not be used by the school board in
7 any manner other than to provide moneys with which to meet
8 ordinary and necessary disbursements for salaries and other
9 school purposes and may be transferred in whole or in part to
10 the general funds or both of the school district and
11 disbursed therefrom in anticipation of the collection of
12 taxes lawfully levied for any or all purposes, or in
13 anticipation of such taxes as by law now or hereafter enacted
14 or amended are imposed by the General Assembly of the State
15 of Illinois to replace revenue lost by units of local
16 government and school districts as a result of the abolition
17 of ad valorem personal property taxes, pursuant to Article
18 IX, Section 5(c) of the Constitution of the State of
19 Illinois. Moneys so transferred to any other fund shall be
20 deemed to be transferred in anticipation of the collection of
21 that part of the taxes so levied or to be received which is
22 in excess of the amount thereof required to pay any warrants
23 or notes and the interest thereon theretofore and thereafter
24 issued in anticipation of the collection thereof and such
25 taxes when collected shall be applied to the payment of any
26 such warrants and the interest thereon, the amount estimated
27 to be required to satisfy debt service and pension or
28 retirement obligations, as set forth in Section 12 of the
29 State Revenue Sharing Act and then to the reimbursement of
30 such restricted uses working--cash fund as hereinafter
31 provided.

32 Upon receipt by the school district of any taxes in
33 anticipation of the collection whereof moneys of the
34 restricted uses working-cash fund have been so transferred

1 for disbursement, the fund shall immediately be reimbursed
2 therefrom until the full amount so transferred has been
3 retransferred to the fund. Unless the taxes so received and
4 applied to the reimbursement of the restricted uses working
5 cash fund prior to the first day of the eighth month
6 following the month in which due and unpaid real property
7 taxes begin to bear interest are sufficient to effect a
8 complete reimbursement of such fund for any moneys
9 transferred therefrom in anticipation of the collection of
10 such taxes, the restricted uses working-cash fund shall be
11 reimbursed for the amount of the deficiency therein from any
12 other revenues accruing to the general educational fund, and
13 the school board shall make provisions for the immediate
14 reimbursement of the amount of any such deficiency in its
15 next annual tax levy.

16 (Source: P.A. 87-984; 87-1168; 88-45.)

17 (105 ILCS 5/20-5) (from Ch. 122, par. 20-5)

18 Sec. 20-5. Transfer to other fund. This Section shall
19 not apply in any school district which does not operate a
20 restricted uses working-cash fund.

21 Moneys, including interest earned from investment of the
22 restricted uses working--cash fund as in this Section
23 provided, shall be transferred from the restricted uses
24 working-cash fund to another fund of the district only upon
25 the authority of the school board which shall from time to
26 time by separate resolution direct the school treasurer to
27 make transfers of such sums as may be required for the
28 purposes herein authorized.

29 The resolution shall set forth (a) the taxes in
30 anticipation of which such transfer is to be made and from
31 which the restricted uses working--cash fund is to be
32 reimbursed; (b) the entire amount of taxes extended, or which
33 the school board estimates will be extended or received, for

1 any year in anticipation of the collection of all or part of
2 which such transfer is to be made; (c) the aggregate amount
3 of warrants or notes theretofore issued in anticipation of
4 the collection of such taxes together with the amount of
5 interest accrued and which the school board estimates will
6 accrue thereon; (d) the aggregate amount of receipts from
7 taxes imposed to replace revenue lost by units of local
8 government and school districts as a result of the abolition
9 of ad valorem personal property taxes, pursuant to Article
10 IX, Section 5(c) of the Constitution of the State of
11 Illinois, which the corporate authorities estimate will be
12 set aside for the payment of the proportionate amount of debt
13 service and pension or retirement obligations, as required by
14 Section 12 of the State Revenue Sharing Act; and (e) the
15 aggregate amount of money theretofore transferred from the
16 restricted uses ~~working--cash~~ fund to the other fund in
17 anticipation of the collection of such taxes. The amount
18 which any such resolution shall direct the treasurer so to
19 transfer, in anticipation of the collection of taxes levied
20 or to be received for any year, together with the aggregate
21 amount of such anticipation tax warrants or notes theretofore
22 drawn against such taxes and the amount of interest accrued
23 and estimated to accrue thereon and the aggregate amount of
24 such transfers to be made in anticipation of the collection
25 of such taxes and the amount estimated to be required to
26 satisfy debt service and pension or retirement obligations,
27 as set forth in Section 12 of the State Revenue Sharing Act,
28 shall not exceed 85% of the actual or estimated amount of
29 such taxes extended or to be extended or to be received as
30 set forth in such resolution in the case of a school district
31 that is not certified as a financially distressed district
32 under Section 19-1.5 or 125% of the actual or estimated
33 amount of the taxes extended or to be extended or to be
34 received as set forth in the resolution in the case of a

1 district that is certified as a financially distressed
2 district under Section 19-1.5. At any time moneys are
3 available in the restricted uses working-eash fund they shall
4 be transferred to the general educational fund and disbursed
5 for the payment of salaries and other school expenses so as
6 to avoid, whenever possible, the issuance of anticipation tax
7 warrants or notes.

8 Moneys earned as interest from the investment of the
9 restricted uses working--eash fund, or any portion thereof,
10 may be transferred from the restricted uses working-eash fund
11 to another fund of the district without any requirement of
12 repayment to the restricted uses working-eash fund, upon the
13 authority of the school board by separate resolution
14 directing the school treasurer to make such transfer and
15 stating the purpose therefore as one herein authorized.

16 (Source: P.A. 87-970; 87-984; 87-1168; 88-9; 88-45; 88-641,
17 eff. 9-9-94)

18 (105 ILCS 5/20-6) (from Ch. 122, par. 20-6)

19 Sec. 20-6. Willful violation of law. Any member of the
20 school board of any school district to which this Article is
21 applicable, or any other person holding any office, trust, or
22 employment under such school district who wilfully violates
23 any of the provisions of this Article shall be guilty of a
24 business offense and fined not exceeding \$10,000, and shall
25 forfeit his right to his office, trust or employment and
26 shall be removed therefrom. Any such member or other person
27 shall be liable for any sum that may be unlawfully diverted
28 from the restricted uses working-eash fund or otherwise used,
29 to be recovered by such school district or by any taxpayer in
30 the name and for the benefit of such school district in an
31 appropriate civil action; provided that the taxpayer shall
32 file a bond for all costs and be liable for all costs taxed
33 against the school district in such suit, and judgment shall

1 be rendered accordingly. Nothing herein shall bar any other
2 remedies.

3 (Source: P.A. 79-1366.)

4 (105 ILCS 5/20-7) (from Ch. 122, par. 20-7)

5 Sec. 20-7. Resolution for issuance of bonds - Submission
6 to voters - Ballot. No school district may issue bonds under
7 this Article unless it adopts a resolution declaring its
8 intention to issue bonds for the purpose therein provided and
9 directs that notice of such intention be published at least
10 once in a newspaper published and having a general
11 circulation in the district, if there be one, but if there is
12 no newspaper published in such district then by publishing
13 such notice in a newspaper having a general circulation in
14 the district. The notice shall set forth (1) the intention
15 of the district to issue bonds in accordance with this
16 Article; (2) the time within which a petition may be filed
17 requesting the submission of the proposition to issue the
18 bonds; (3) the specific number of voters required to sign the
19 petition; and (4) the date of the prospective referendum. At
20 the time of publication of the notice and for 30 days
21 thereafter, the recording officer of the district shall
22 provide a petition form to any individual requesting one. If
23 within 30 days after the publication a petition is filed with
24 the recording officer of the district, signed by the voters
25 of the district equal to 10% or more of the registered voters
26 of the district requesting that the proposition to issue
27 bonds as authorized by this Article be submitted to the
28 voters thereof, then the district shall not be authorized to
29 issue such bonds until the proposition has been certified to
30 the proper election authorities and has been submitted to and
31 approved by a majority of the voters voting on the
32 proposition at a regular scheduled election in accordance
33 with the general election law. If no such petition is so

1 filed, or if any and all petitions filed are invalid, the
2 district may issue the bonds. In addition to the requirements
3 of the general election law the notice of the election shall
4 set forth the intention of the district to issue bonds under
5 this Article. The proposition shall be in substantially the
6 following form:

7 OFFICIAL BALLOT

8 -----

9 Shall the board of....
10 of School district number.... YES
11 County, Illinois, be authorized to
12 issue working cash bonds for a -----
13 restricted uses working-cash
14 fund as provided for by Article 20 NO
15 of the School Code?

16 -----

17 (Source: P.A. 87-767.)

18 (105 ILCS 5/20-10 new)

19 Sec. 20-10. Nothing in this Article prevents a school
20 district from dividing its restricted uses fund into subfunds
21 for the separate purposes of working cash, classified
22 benefits, and tort immunity.

23 (105 ILCS 5/35-5) (from Ch. 122, par. 35-5)

24 Sec. 35-5. Powers. The Commission possesses all the
25 powers necessary and convenient to accomplish the objects
26 prescribed by this Article including the following, which
27 however, are not to be construed as a limitation upon the
28 general powers hereby conferred.

29 (a) To enter into contracts with regard to any matter
30 connected with any powers of the Commission.

31 (b) To acquire by gift, purchase or otherwise, and to
32 construct, equip, complete, remodel and maintain school

1 buildings and equipment, and for that purpose to acquire and
2 improve school sites by gift, purchase, condemnation or
3 otherwise.

4 (c) To execute non-assignable leases of facilities and
5 sites to school districts in Illinois for school purposes for
6 periods of not to exceed one year renewable at the option of
7 the school district from year to year, and in the event of
8 nonpayment of the rents provided in such leases or the
9 termination of such leases to execute leases thereof to
10 others for any suitable purposes. ~~The Commission may extend~~
11 ~~the time for paying the rent due or any portion thereof when~~
12 ~~the inability of the district to pay is due to failure or~~
13 ~~delays in the collections of the taxes levied for such~~
14 ~~purpose.~~

15 (d) To convey such property to the appropriate authority
16 for the use and benefit of the lessee school district in
17 which such property is located if and when the Commission has
18 been reimbursed out of rentals or otherwise for all direct
19 costs pertaining thereto which have been incurred by the
20 Commission, including acquisition and development of the
21 site, acquisition of equipment, and design and construction
22 of the building, collectively referred to in this Article as
23 the costs of the project.

24 (e) To sell such property at public sale, with the
25 approval of the Illinois Building Authority or other state
26 agency authorized to provide funds, if the lease thereof is
27 not renewed by the lessee district with power to sell the
28 moveables separately from the site and building.

29 (f) To cause deeds and bills of sale authorized under
30 this Article to be executed on behalf of the State of
31 Illinois by the Chairman and Secretary of the Commission.

32 (g) To adopt all needful by-laws, rules and regulations
33 for the acquisition, management and use of such sites and
34 buildings acquired for school purposes, consistent with the

1 objects and purposes of this Article.

2 (h) To employ or contract for such services as the
3 Commission may deem necessary to carry out its duties.

4 (i) To execute leases with the Illinois Building
5 Authority or other state agency authorized to provide funds
6 for school sites, buildings and fixed equipment as needed by
7 school districts qualifying under this Article, which leases
8 shall be payable solely and only from appropriations made by
9 the General Assembly from time to time. However, the
10 allocation of the amounts declared to be in the public
11 interest by any General Assembly for school districts
12 qualifying under this Article shall be made by the School
13 Building Commission.

14 (j) To develop a system of documents and analyses
15 necessary to maintain the statutory cost limitations placed
16 on Commission projects, and for the optional use of school
17 districts in general, to include design, materials,
18 components, construction techniques, contracts, criteria and
19 prototype drawings and specifications.

20 (k) To acquire by gift, purchase or otherwise, and to
21 construct, equip, complete, remodel and maintain school
22 buildings and equipment, and for that purpose to acquire and
23 improve school sites by gift, purchase, condemnation or
24 otherwise, when such facilities have been approved by the
25 Board of Vocational Education and Rehabilitation, hereinafter
26 referred to; and when the erection of the approved facilities
27 has been declared to be in the public interest by the General
28 Assembly.

29 (Source: P.A. 77-1994.)

30 (105 ILCS 5/35-7) (from Ch. 122, par. 35-7)

31 Sec. 35-7. Qualifications. No school district shall be
32 entitled to have a building acquired or constructed in the
33 district by the Commission unless:

1 (a) The Commission shall determine that the district
2 will require, in addition to its present classrooms and those
3 for which funds have been provided by the district,
4 classrooms for at least 110 pupils in average daily
5 attendance in grades K through 8, 110 pupils in average daily
6 attendance in grades 9 through 12 and 200 pupils in average
7 daily attendance in grades K through 12 at the beginning of
8 the ensuing school fall term and that the need for such
9 additional classrooms will continue through the 5 ensuing
10 school years. In determining the needs of a district subject
11 to Section 35-25 of this Act, the Commission shall consider
12 the factors therein involved.

13 (b) It has either reduced its bonding power to less than
14 \$5000 or will have done so in complying with the provisions
15 of this Article.

16 (c) (Blank). ~~Its--school-board-has-been-duly-authorized~~
17 ~~to-levy-a-special-tax-sufficient-in--amount--to--provide--the~~
18 ~~rent--under--Section--35-15--for--the--facilities--to--be--so~~
19 ~~provided,--but--the-Commission-may-approve-an-application-for~~
20 ~~the-construction-of-a-classroom-in-a-district-contingent-upon~~
21 ~~compliance-with-this-provision--within--60--days--after--such~~
22 ~~approval.~~

23 (Source: P.A. 77-2282.)

24 (105 ILCS 5/35-25) (from Ch. 122, par. 35-25)

25 Sec. 35-25. The power of the Commission to construct a
26 school building in the territory of a school district, shall
27 not be vitiated by reason of the fact that a County Board of
28 School Trustees has entered an order annexing all or part of
29 the district, together with coterminous non-high school
30 territory, to a school district or districts maintaining
31 grades K to 12, if the order by reason of appeal or otherwise
32 has not become final at the time the Commission authorizes
33 the construction of such building. However, in considering

1 the needs of such a district under Section 35-6 of this
2 Article and whether the district is entitled to a building
3 under Section 35-7(a) of this Article, the Commission shall
4 consider, in addition to the needs of the applicant district,
5 the needs of the district to which it, or the portion of it
6 in which the proposed building lies, will be annexed if the
7 order of the County Board of School Trustees becomes final,
8 and as enlarged by such annexation. If such order becomes
9 final, the district to which such annexation is made shall be
10 subject to the same restrictions as to future building
11 construction or enlargement and as to changes in its
12 boundaries as is provided in Sections 35-16 and 35-17 of this
13 Article to the same extent as if it had been the applicant
14 for building aid and the building had been constructed in its
15 territory, shall be subject to all the terms and provisions
16 of any leases entered into by the annexed district for the
17 rental of buildings constructed by the Commission, and shall
18 be authorized to use and occupy such building and ~~to levy a~~
19 ~~tax throughout the annexing district in such amount as has~~
20 ~~been authorized by the voters of the annexed district~~
21 ~~pursuant to an election held under Section 35-22 of this~~
22 ~~Article.~~

23 (Source: P.A. 77-2282.)

24 (105 ILCS 5/17-2.1 rep.)

25 (105 ILCS 5/17-2.2 rep.)

26 (105 ILCS 5/17-2.2a rep.)

27 (105 ILCS 5/17-2.2b rep.)

28 (105 ILCS 5/17-2.3 rep.)

29 (105 ILCS 5/17-2.4 rep.)

30 (105 ILCS 5/17-2.6 rep.)

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33 (105 ILCS 5/17-3.1 rep.)

- 1 (105 ILCS 5/17-3.3 rep.)
- 2 (105 ILCS 5/17-4 rep.)
- 3 (105 ILCS 5/17-5 rep.)
- 4 (105 ILCS 5/17-5.1 rep.)
- 5 (105 ILCS 5/17-6.1 rep.)
- 6 (105 ILCS 5/17-9.01 rep.)
- 7 (105 ILCS 5/20-8 rep.)
- 8 (105 ILCS 5/20-9 rep.)
- 9 (105 ILCS 5/35-22 rep.)
- 10 (105 ILCS 5/35-23 rep.)
- 11 (105 ILCS 5/35-24 rep.)
- 12 (105 ILCS 5/35-26 rep.)

13 Section 25-15. The School Code is amended by repealing
 14 Sections 17-2.1, 17-2.2, 17-2.2a, 17-2.2b, 17-2.3, 17-2.4,
 15 17-2.6, 17-2A, 17-2B, 17-3.1, 17-3.3, 17-4, 17-5, 17-5.1,
 16 17-6.1, 17-9.01, 20-8, 20-9, 35-22, 35-23, 35-24, and 35-26.

17 ARTICLE 90

18 Section 90-5. The State Mandates Act is amended by
 19 adding Section 8.27 as follows:

20 (30 ILCS 805/8.27 new)
 21 Sec. 8.27. Exempt mandate. Notwithstanding Sections 6
 22 and 8 of this Act, no reimbursement by the State is required
 23 for the implementation of any mandate created by this
 24 amendatory Act of the 93rd General Assembly.

25 ARTICLE 99

26 Section 99-99. Effective date. This Act takes effect on
 27 July 1, 2003, except that this Section and Section 5-10 take
 28 effect upon becoming law.

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